ADAPTIVE CAPACITY AS A PROACTIVE APPROACH

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Abstract

The environment nonprofits operate within is changing rapidly and the need to examine the impacts of forces that are shaping the new reality is becoming ever more urgent. The challenges faced by nonprofits today are different from the challenges a few years ago, and they are intensifying. This study identifies the elements or strategies that best enable nonprofit organizations to successfully and proactively adapt to changing operating environments, service demands, and participant expectations.

The research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" provides the framework to explore how stakeholders of nonprofit organizations view their organization's capacities to proactively adapt to changing environments. Semi-structured interviews were conducted to gather data from participants in this qualitative study.

The participants' views on adaptability provide us with some solid indicators of adaptability in nonprofit organizations. These indicators are present in various strengths and combinations and depend on the enabling assemblage of people, circumstances, resources, connections, and opportunity.

Based on the participants' comments and my interpretation of their remarks, I have identified some building blocks to adaptive capacity that will be useful to nonprofit organizations wishing to position themselves for adaptability.

Keywords: nonprofit, adaptive capacity, adaptability, proactive, change, qualitative

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CHAPTER ONE: INTRODUCTION

Background

Nonprofit organizations provide a service for the public good, and any net earnings are invested back into their programs and services rather than distributed to shareholders or owners.

These organizations are established to meet needs in communities that are often not addressed by public or private sectors. They are large and small; they exist at the local, regional, national, and international levels, in cities and small towns; and they serve a multitude of purposes from advocacy to recreational pursuits to arts and culture and social services. They may have a board of directors, committees, staff, and volunteers. A nonprofit organization is similar to other forms of corporations in that it has objectives and goals and resources to achieve those goals. Nonprofits can face many of the same challenges as for-profit corporations such as rising costs complicated by decreased revenue or funding, strained resources, technology, recruitment, and leadership.

The environment nonprofits operate within is changing rapidly and there is an urgent need to examine the impacts of forces that are shaping the new reality. Ryan (1999, p. 128) notes that most agencies that provide social services, directly or indirectly, have been impacted by changes in the political environment in which they operate, the expectations of clients, and the way funding is procured. According to Julie Ann Pietroburgo (2002, p.6) public-serving nonprofits are finding it increasingly difficult to access resources to fulfill their mandates. Susan Koch (2002, p. 26) explains that the challenges faced by nonprofits today are different from the challenges a few years ago, and they are intensifying. She

observes that although many nonprofits are attempting to meet these challenges, a significant number are having difficulty adapting.

Over the past 20 years I have volunteered for a variety of nonprofits and am attracted to nonprofits that provide social services in the form of community programs and learning events. I am attracted to the values that guide these types of organizations. The community-based initiatives appeal to me, as does the concept of giving back or paying forward, which is evident in nonprofits that rely on volunteers to sit on boards and provide front line services.

In this study, I explore how nonprofits proactively adapt and maintain their ability to adjust to shifting environments and changing circumstances.

Purpose and Focus of the Research

The purpose of this research is to add new knowledge to our current understanding of adaptability in nonprofit organizations. The study focuses on identifying those elements or strategies that best enable these organizations to successfully and proactively adapt to changing operating environments, service demands, and participant expectations.

Theoretical Framework

The diagram (Figure 1) depicts the variables and their relationships that comprise the theoretical framework that guides the study. It illustrates the research direction (What attributes are needed for a nonprofit organization to maintain and use adaptive capacity?) and materials used as the basis for beginning (the literature and studies), which have been filtered by the researcher for their relevance to nonprofit organizations. From that body some assumptions about key factors emerge. The study supports the project (Examine apparent key elements) and produces new information about common factors or attributes that can be

identified in nonprofit organizations that demonstrate proactive adaptive capacity. The

assumption is that the likelihood of a nonprofit organization being able to sustain

achievement of its mission, mandate, or purpose over a long period of time depends on its

ability to (a) adapt quickly to current or imminent changes in its operating environment, and

(b) efficiently and proactively position itself within longer term changes and trends in its

operating environment.

Theoretical Framework
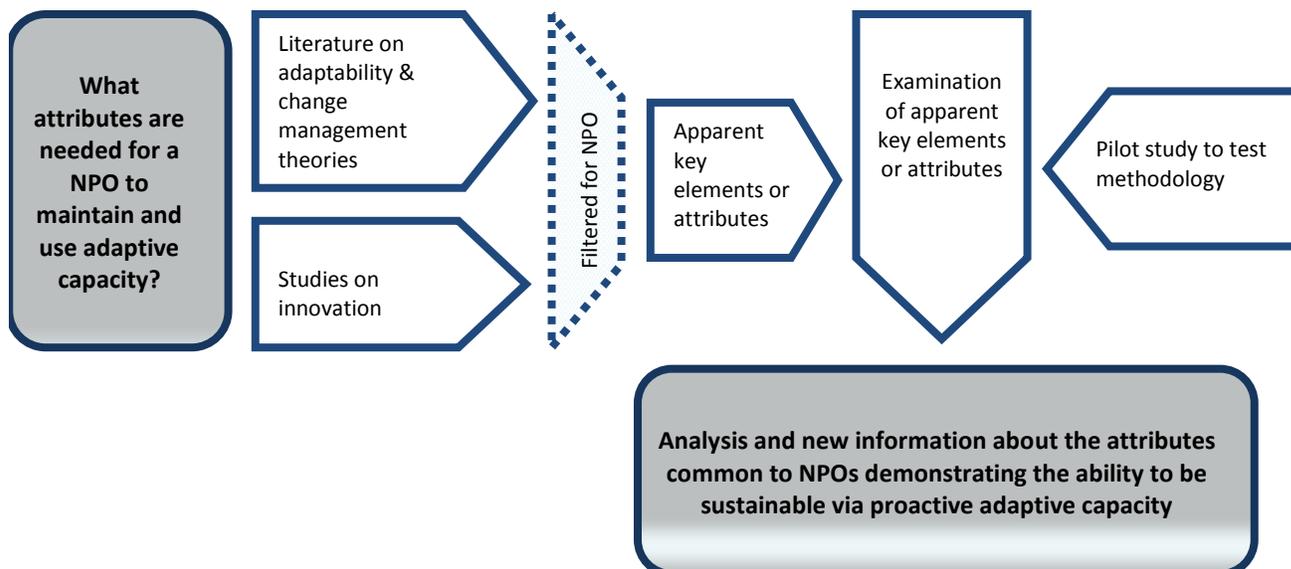
Figure 1. Theoretical framework for research on adaptive capacity as a proactive
approach to change in nonprofit organizations (NPOs).

This research contributes to the knowledge on nonprofit organizations and their

ability to build adaptive capacity in preparation for changing environments and demands.

The framework provides a clear map for the process of including and selecting materials

relevant to nonprofit organizations and determining the apparent key elements necessary for

proactive adaptability. The results of this study contribute to the literature on proactive adaptive capacity. The research question connects the elements of the framework together by sharpening the focus of the activities involved. The method of a blended narrative inquiry and semi-structured interview format provides the setting for participants to describe adaptability as they see and experience it.

The Research Question

The research question is "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" The study explores how stakeholders of nonprofit organizations view their organization's capacities to proactively adapt to changing environments.

The data that were gathered help us better understand the strategies and approaches that contribute to the chances of surviving and thriving in changing environments. In addition to adding to our theoretical understanding, this information provides organizations and leaders with a resource they can use to better understand the interplay of factors that impact them. Ultimately the information can bolster successful nonprofit adaptation to better serve the communities and programs they support. Edgar Schein (in Gallos, 2006) uses the term adaptive coping cycle, that is, an organization that can effectively adapt and cope with the changes in its environment" to describe the overall ability to adapt (p. 5). Motamedi (1977) defines adaptability as "the social system's ability to sense and understand its internal and external environments and to take action to achieve a fit or balance between the two" (p. 480). He couples adaptability and copability and makes the claim that these two elements are closely linked and complementary to each other. Motamedi looked at a collection of work done by others (Kast & Rosenzweig, 1976; Katz & Kahn, 1966; Thompson, 1967) and found

they agreed that adaptability is crucial to a system's ability to respond to changes in its internal and external environments (p. 482).

This research investigates adaptability of nonprofit organizations by identifying, assessing, and reporting on attributes that affect adaptive capacity as defined by Sussman (2004) as "the ability to advance the organization's mission by strategically changing in anticipation of and in response to circumstances and in pursuit of enhanced results" (p. 3). While Sussman's definition provides a good starting point, for the purposes of this study the operational definition of adaptive capacity includes a dynamic, organic approach to proactively preparing for change and anticipating that unpredictable forces will shape the organization's surroundings.

This research explores how stakeholders in nonprofits define and adapt to internal and external changes. The data gathered and analyzed help us to better understand how nonprofit organizations define and build the capacity to adapt to internal and external changes. This research adds to our theoretical and practical understanding of nonprofit organizational capacity to adapt to change and provides organizations and leaders with a resource they can use to better understand the interplay of factors that impact them. This research is intended to support successful nonprofit adaptation in order to better serve the communities and programs they provide and deliver.

Significance of the Research

According to Hall, Andrukow, Barr, Brock, de Wit, and Embuldenia (2003) many nonprofits are experiencing funding reductions and decreasing resources and are forced to maintain the services they provide with a threadbare budget and escalating inflation affecting their ability to plan and provide consistency in programming. Many face challenges in

recruiting and retaining board members, staff, and volunteers, meaning that succession

planning and continuation of programs is at risk. Others are tested by changes in technology

and client expectations. Still others may be impacted by a sudden increase in demand and

growth. All these scenarios require adaptation. The ability to be agile in this changing

environment can be crucial to the organization's existence. The same, or different,

challenges may be faced by nonprofits in different stages of their development. In the

start-up, or infant stage of the lifecycle, an organization may be challenged with securing

funding. Risks must be taken and results must be evident. As an organization becomes

stabilized, growth is the main concern. New people may come on board and there may be

conflict between the newcomers and their ideas and the founding members. The

organization's prime stage is the optimum point in an organization's life cycle, usually

characterized by a common understanding of the purpose and objectives of the organization.

Things run efficiently and members are committed and enthusiastic. A sense of energy

permeates the organization. However, in order to accommodate the growth and business

objectives, more bureaucracy may be created and this may get in the way of flexibility. As

the organization ages, there may be misunderstandings or misinterpretations of the mission

and purpose, and members may find themselves working at cross-purposes. If the situation

continues, the organization may find itself in decline. Ichak Adizes (1988) tells us there are

challenges at each stage of the lifecycle, and an organization will need to adapt to the

challenges of each stage.

Two reports commissioned by the National Survey of Nonprofit and Voluntary

Organizations (NSNVO); (Hall, Andrukow, Barr, Brock, de Wit, & Embuldenia, 2003; Hall,

de Wit, Lasby, McIver, Evers, & Johnson, 2004) document the most pressing challenges as

changes in the funding environment, the availability of volunteers, and the varying public and media expectations. They also found that changes in the external environment such as increasing competition for resources, increasing regulatory and legislative restrictions, and increasing demands for financial accountability make it ever more difficult for nonprofit organizations to carry out their work.

By all signs, the changes will accelerate and the challenges will be amplified. The nonprofits that prepare themselves appropriately are more likely to survive. Carl Sussman (2004, p.1), in a paper prepared for Management Consulting Services hints that an awareness of the benefits of adaptation are beginning to be apparent. He observes that nonprofit managers are recognizing that a sign of adaptive capacity in a nonprofit organization is the ability to challenge and question established ways of thinking and doing things and design more effective processes. Sussman's research has also revealed that nonprofit organizations are becoming aware that they need to develop agility in order to manage the complexity in their environments, the constant and increasing pace of change, shifting expectations of stakeholders, and increasing competition for products and services. These statements tell us that some nonprofit managers sense the need for change and are thinking about proactive adaptability as a potential means to sustainability.

Benefits and Potential Impact

This study yields new information about what successful nonprofits have done to adapt to changing environments. This timely research investigates how social, economic, and demographic trends impact adaptive capacity. Colleen Kelly (2009), Executive Director of Vantage Point (formerly Volunteer Vancouver), suggests that expectations have changed, and there is a need for nonprofit adaptability to be studied as a way to bring to light ways in

which the mindsets can be reframed and new approaches put into practice. Letts, Ryan, and Grossman (1999) suggest that it is not enough to measure an organization's ability to adapt by looking only at its ability to deliver programs or services that are relevant to the environment, but that we also need to examine whether the human resources are being taxed to an extreme, and whether the quality of the programs is being upheld (p. 21). They cite adaptive capacity as the ability of the organization to continually create value for the community it serves, to effectively motivate staff and volunteers, and to consistently demonstrate its value to funders.

This study contributes to the literature regarding adaptive strategies and techniques for nonprofit organizations. There appears to be scant documentation in this area and this study generates new knowledge about the attributes that enable nonprofit organizations to be proactively adaptable and accommodate new environments.

One of the measures of worthwhile research is whether it contributes to generalizable or transferable knowledge. This means that the knowledge acquired as a result of the study can be applied beyond the participating subjects in the study. While this research project may be limited in its criteria for broad generalization, it does contribute to a better understanding of proactive adaptive capacity and serves as a reference for other researchers in this field. Kvale and Brinkmann (2009) remind us that "every situation is unique, each phenomenon has its own intrinsic structure and logic," therefore the contextual situations may not be conducive to a direct transfer of the knowledge. Martin Marshall (1996) concurs and tells us that "improved understanding of complex human issues is more important than generalizability of results" (p. 524). The addition to the knowledge pool on adaptive capacity has value. The findings may be applied in ways we cannot identify at this time because we

do not know the context of the future. This research may be the platform that launches future studies and it helps explain what occurs in nonprofits that are implementing changes now.

Nonprofits and for-profit organizations everywhere can be informed of what is learned through this research. Groups, teams, leaders, and policymakers will be able to draw on what is presented, make their conclusions, and tailor their actions and approaches to build adaptive capacity in their work.

The research findings have the potential to benefit society at large by (a) providing information nonprofit leaders can use to integrate adaptive attitudes and practices into their organizations, (b) creating potential for nonprofit clients to benefit from the increased adaptability in the organizations, and (c) providing information that may benefit future researchers. The research participants may benefit by having their experience and impressions recorded and feeling they are adding value to the organization they are engaged with.

This chapter introduced the study and shared the theoretical framework that led to the creation of the research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?". The significance of the research and the potential benefits were discussed. Chapter 2 reviews the existing literature on adaptive capacity and a set of themes based on the review is presented. In Chapter 3 the research methodology is outlined including participant selection, data collection and data analysis processes, and the pilot study. Chapter 3 also discloses the scope and limitations of the study, potential risks involved, ethical issues, and how conflict of interest was handled. Chapter 4 categorizes the findings based on the research participants' comments and draws an alternate set of themes to compare with the literature review. Chapter 5 concludes the dissertation with an

interpretation of the findings and themes, a summary of how the findings will assist leaders in nonprofit organizations to solve real problems, and suggests some areas for future research.

CHAPTER TWO: LITERATURE REVIEW

Introduction

This analysis examines literature and research regarding adaptive capacity as it pertains to nonprofit organizations. This review locates and analyzes literature that contributes to a comprehensive understanding of what is known about adaptive capacity.

Adaptive capacity differs from technical or reactive adaptive approaches. I refer to reactive adaptability as the ability to adapt to present conditions and react to changes in the environment, and proactive adaptability as the capability to forecast changes based on signals and prepare to adapt to future circumstances. Organizations with adaptive capacity scan the horizon and check their radar screens for changes or situations that are forming and will impact their operations. These changes might be threats or opportunities, but they will alter the terrain the organization presently stands on. This study's operational definition for adaptive capacity is one that includes a dynamic, organic approach to proactively preparing for change and anticipating that unpredictable forces will shape the organization's surroundings. In the literature cited, adaptive capacity often involves the development or adoption of innovations so there appears to be a relationship between adaptive capacity and innovation. Whether the innovations are employed reactively to a known change, or proactively to an uncertain future is the key to distinguishing the approach as building proactive adaptive capacity or not.

To clarify the distinction I am making, Figure 2 shows how an organization reactively responds to change, while Figure 3 depicts how an organization that employs adaptive capacity might navigate uncertain circumstances. The black bars represent changes that

impact organizations either internally or externally and the orange line represents the

approach to these unexpected changes.
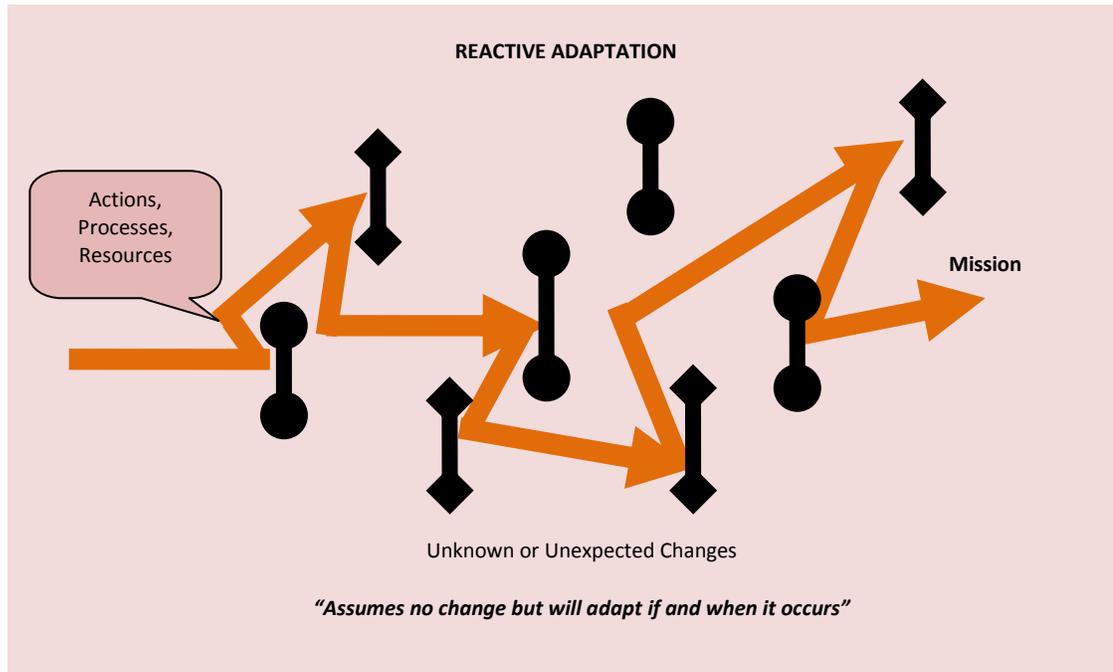
Figure 2. Path of an organization that uses a reactive approach to change.
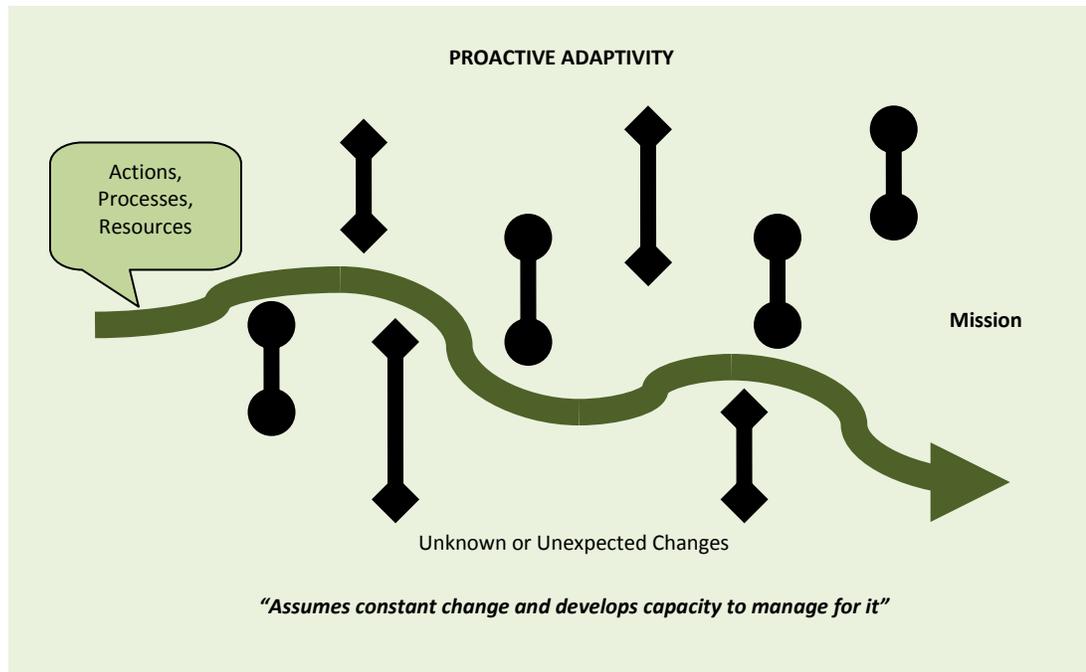
Figure 3. Path of an organization that uses a proactive approach to change.

While there is literature on innovation, there appears to be a gap in the research on proactive adaptive capacity. An organization can be innovative in a reactionary mode (adaptive), or innovative in a proactive manner (building adaptive capacity) so an organization that demonstrates an innovative character may or may not demonstrate adaptive capacity. There is a need to shift from thinking about adaptability as adjusting for present circumstances or past impacts, to looking ahead, visioning, and preparing to be adaptive and flexible to meet challenges that have not yet occurred. Adaptability can be viewed as related to continuous learning, rather than a set of skills or resources, and there is a need to study adaptive capacity as a continuous learning activity, rather than a set of skills. We can think of adaptation as a culture, or way of doing business (proactive) versus adaptation as a response to specific, known pressures or changes (reactive).

York (2009) determined there were four key capacities for evaluating a nonprofit's ability to sustain itself and be successful. He listed adaptive capacity, leadership capacity, management capacity, and technical capacity as cornerstones of an effective organization. He defines adaptive capacity as "the ability to monitor, assess, respond to, and create internal and external changes" (p. 2). We can take this definition as a starting point. York's definition captures the reactive adaptability approach quite nicely. This study builds on that definition and examines the elements of proactive adaptability.

There are several elements that contribute to adaptive capacity and these elements will vary depending on the organization and the context (Jaskyte, 2004, 2011; Marquardt, 1996; McDonald, 2007; Scott & Davis, 2007; Staber & Sydow, 2002; York, 2009). Changing demographics may create a challenge to recruit and train new members. Population statistics have been published for decades and the affects of the generational demands and trends have long been known. Instead of preparing for this shift and proactively anticipating the change, the organization that continues to use practices that no longer match the circumstance remains in reaction mode.

Critical Analysis

The four studies done by Staber and Sydow (2002), McDonald (2007), and Jaskyte (2004, 2011) provide the core literature for this research and explore relationships between different elements that are common in the literature. They provide both qualitative and quantitative findings that support the links between the elements.

It is interesting that the four studies all include innovation as a core element of adaptability and they propose different theories to better understand the relationship between innovation and adaptive capacity. Staber and Sydow (2002) suggest that structuration theory

is useful for examining difficulties of managing adaptive capacity. Structuration theory states there are relationships between the structure of an organization, the processes it uses, the power sources, and the social practices in play. They stress that structuration theory provides a framework that includes all the factors that must be considered when viewing an organization and its ability to build proactive adaptive capacity. They emphasize the importance of looking at what needs to be learned and what can be applied to "transform social practices across time and space" (p. 412) or, fostering cultures that support building proactive adaptive capacity.

McDonald's (2007) theory states there is a link between an organization's mission and its ability to be innovative. Jaskyte (2004) says leadership is not related to organizational effectiveness; in fact, leadership may contribute to a culture that impedes innovativeness. In a later study, Jaskyte (2011) posits there is a relationship between variables that support administrative innovation and technical innovation, and they may be different variables. All of these studies looked at a selection of variables and established connections between them.

These studies look at innovation, which is not the same as adaptive capacity, but it figures in building adaptive capacity and may be a key component of organizations that have a culture of building adaptive capacity. Organizations can be innovative in a reactive mode, or innovative with a proactive approach. Adaptive capacity can support innovation as a contingency for potential change whereas simple adaptation supports innovation when there is a need to react. There seems to be little written on proactive adaptive capacity, and this study will attempt to augment what is already documented on the subject.

McDonald (2007), Jaskyte (2004, 2011), and Staber and Sydow (2002) found connections and correlations between various elements that can create an innovative

atmosphere. McDonald looked at how innovation is related to an organization's mission, and its ability to achieve the mission. Staber and Sydow looked a little deeper into the structure and processes to see what factors underpin an organization's ability to build adaptive capacity. Staber and Sydow framed their research into three areas. They looked at multiplexity, which they describe as the number of connection points and the relations between people in the organization. They include redundancy, or the slack in the organization that could potentially support adaptive capacity, and they examine loose coupling, which refers to the strength of the connection points. Jaskyte (2004, 2011), in two different studies, first takes a look at relationships between leadership in an organization, innovation, and an organization's culture. She combines these three elements in groupings designed to reveal any correlations. In the 2011 study, she views administrative innovations and technical innovations and investigates what elements support each type of innovation, looking for commonalities. She looked at centralized and decentralized organizations, specialization or generalization of services, the size of the organization, and the leadership tenure.

None of these four authors present a full definition of adaptation or adaptive capacity, and they all give a different perspective on the role of innovation. Although they agree there are multiple factors, they have compared different factors, which gives us a fuller picture but limits our ability to evaluate their theories easily. They have each viewed parts of, but not the complete, picture.

These four studies, when viewed together, give us a more holistic view of what conditions are required for an organization to demonstrate adaptive capacity using innovation. The challenge is that innovativeness does not translate directly into adaptive

capacity. The opportunity lies in that gap. If we define adaptive capacity as the ability of an organization to proactively develop new knowledge and practices and apply them to uncertain and unpredictable circumstances, then we can use the work of those who have studied innovation in organizations and consider what variables could be in place to support adaptive capacity and therefore give the organization its best chance of sustainability.

<div align="center">**Challenges for Nonprofit Organizations**</div>

Nonprofit organizations are defined as organizations that redirect revenue back into the organization. They focus on programs and services instead of generating profits for the organization itself or the staff, employees, and volunteers who oversee and deliver those services and programs. While there are some variations in the definition of the term *nonprofit* (Anheier, 2005; Hall, Andrukow, Barr, Brock, de Wit, & Embuldenia, 2003; Hall, de Wit, Lasby, McIver, Evers, & Johnson, 2004; Hansmann, 1980; Hull & Lio, 2006) depending on the country and the focus of the definition, what is consistent in the description of a nonprofit organization is their restriction on distributing net profits (notwithstanding reasonable salaries, expenses, or benefits) to those who have control over the organization as trustees, board members, or directors. For this study, a nonprofit organization is one that provides a social service and reinvests any profits back into the organization in alignment with its purpose or mandate.

Nonprofits differ from for-profit organizations in their mission to exist for the improvement of communities and or societies (Anheier, 2005; Hall, Andrukow, Barr, Brock, de Wit, & Embuldenia, 2003; Hall, de Wit, Lasby, McIver, Evers, & Johnson, 2004; Hansmann, 1980; Hull & Lio, 2006) but they share similar challenges with their

for-profit counterparts in operating and maintaining their suite of programs. For example, consider a nonprofit that offers a series of safe boating courses. Updating course materials in compliance with provincial and federal regulations, and attracting students to fill the courses is an ongoing challenge. Other nonprofit programs fall into a number of categories such as support groups or counselling programs, child care facilities, libraries, universities, or even hospices.

As the speed of doing business has accelerated nonprofit organizations are not immune to the pressures and implications of the realities of today's workplace. Customers are demanding more and different services and methods of delivery. Advances in technology are changing expectations of clients, staff, and volunteers. Marquardt (1996) and Jaskyte (2011) suggest that in order to survive in our changing environment, organizations need to learn fast and be able to adapt quickly. For example, when social media tools such as Facebook and Twitter became popular, some businesses recognized the advantage of reaching large numbers of new customers and began using this means of communication to boost their profile. In order to do this, they need to have processes in place that support adaptation (Marquardt, 1996; Scott & Davis, 2007).

Heifetz, Grashow, and Linsky (2009) differentiate technical (adaptive) challenges from adaptive (capacity) challenges. They reflected on a combined total of over 60 years of leadership consulting in a variety of sectors around the world and their insights are derived from this experience in the classroom and the field. They consider technical challenges as problems that can be diagnosed and solved by applying solutions using the current knowledge, structure, skills, expertise, or process. These are problems that can be clearly stated and have clear, straightforward solutions and usually don't impact the people involved.

Adaptive capacity challenges are tougher to solve because they involve people's priorities, beliefs, habits, and loyalties. An organization with adaptive capacity has both the ability to deal with "technical" and "adaptive" challenges.

Proactive adaptive challenges involve tolerating a degree of discomfort, a shift in mindset, and or a whole new approach, often including a loss of some kind. For example, if we look at increasing ridership on city buses as a technical issue, increasing service by adding more routes or frequency of stops so there are shorter waits between buses would be a technical (reactive) solution. Adaptive (proactive) solutions would involve looking at why people don't ride buses and exploring what can be done to change beliefs, assumptions, and habits toward public transit.

Reorganization of a company's hierarchal structure is another example. Reorganizing the boxes on an organizational chart is a technical solution. Assisting people to change their habits, loyalties, attitudes, and mental models requires adaptive capacity solutions and makes change at a level required for sustainable success so difficult to achieve. There is usually resistance, sometimes sabotage, and often rebellion, either outright or covert because the equilibrium has been disrupted. When faced with an imposed change in the workplace such as a reorganization, employees may feel fearful about the uncertainty or angry about the loss of their routine and stability and may express those emotions in negative ways such as being uncooperative or outright resistant. The failure of change initiatives is often connected to an organization's or leader's error in applying a technical fix to a problem that requires a proactive adaptive solution (Heifetz, Grashow & Linsky, 2009).

Mitchell and Learmond (2010, p. 8) list several factors as top challenges in sustaining a vibrant business including: maintaining customer loyalty and retention, speed of response,

flexibility, adaptability to change, innovation, creativity, the ability to facilitate an entrepreneurial mindset, and dealing with governmental regulations. These factors were determined through a global survey of 444 CEOs, chairmen, and presidents, and were reported in the Conference Board's report (Barrington, 2010). Customer retention requires a better understanding of customer needs and expectations, coupled with a shorter response time to deliver with more adaptability and flexibility in process. Creativity and innovation will be needed not only in product and service development, but in delivery modes. An entrepreneurial mindset helps to address changes in regulations and customer expectations if an organization wishes to be sustainable. It is a complex matrix of challenges, made even more complicated by the abundance of information and the expectation that decisions and results will be immediate, despite the multifaceted issues (p. 5).

Other threads add complexities to the challenges facing nonprofits. The diversity of the stakeholder groups, the multiple revenue streams from funders and business operations, the complicated internal framework of volunteers, staff, and clients suggests nonprofits are more complex in their workings than many for-profit organizations (Anheier, 2005). Juggling the intricate relationships between managers, board members, the client base, volunteers or members, and front line workers introduces a level of complication not found in for-profit businesses. Anheier calls this mix the "law of nonprofit complexity" (p. 229). Anheier theorizes that social entrepreneurs, or those committed to nonprofit ventures, differ from business entrepreneurs by creating social value rather than monetary value for a corporation. Although this work does not address adaptive capacity directly, it offers a solid base for understanding the functions and structures of nonprofit organizations.

Key Themes That Emerged

Several themes about adaptation emerged from the literature review. An entrepreneurial mindset (McDonald, 2007) and a future-oriented perspective (Staber & Sydow, 2002) are two key themes that surfaced in the literature. The theme of creativity in ideas and innovations (McDonald, 2007) also appeared and is closely tied to making the most of opportunities. None of these would be maximized without a healthy and effective system (Epstein, 2008), which enables communication (Schein, 1992: Senge, 1990), another theme that appeared repeatedly. The last two themes that were mentioned again and again were leadership (Jaskyte, 2004; Schein, 1992) and the sense that the organization was a learning organization (Heifetz, Grashow & Linsky, 2009). These themes comprise a system of factors that, when working together, enable an organization to build adaptive capacity. Adaptive capacity can be viewed as a whole system, where each theme influences or impacts others. More research is needed to better understand those factors that, individually or in combination, help an organization to create, build, and develop adaptive capacity. Although the themes and factors are explored separately in the existing literature, they are interrelated and tightly connected to each other.

Entrepreneurial Mindset

McDonald (2007) conducted two studies at nonprofit hospitals in the United States and found there was a call for managers of nonprofit organizations to be more entrepreneurial in their approach and there was a need to conduct business more like for-profit businesses in order to be successful (p. 256). An entrepreneurial mindset includes a high level of tolerance for risk, in fact the encouragement of risk, in order to make breakthroughs and discover what doesn't work. An organization that exemplifies an

entrepreneurial perspective will not regard failure of experiments as a negative experience, but rather as a learning experience. Innovation requires an environment where people are not afraid to fail or err in the spirit of learning and experimenting. When experimentation can be viewed as an opportunity to test ideas and processes, identify issues, and make adjustments, innovations will contribute to an adaptable workplace setting.

This positive attitude toward experimentation may also be evident in the feedback staff and volunteers receive from each other and from their managers. A positive outlook can result in affirmation of their contributions, a passion for their work, and a level of optimism that makes adapting much easier for members of the organization.

There may be a link between the presence of positivity in the workplace and the level of engagement of the members. If they are recognized for their achievements and contributions, and feel valued and part of the organization, it follows that higher morale and involvement will be present. If they also feel empowered, the scale will be even higher. Christensen and Ebrahim (2006) and Hull and Lio (2006) claim empowerment is essential in adaptive workplaces, and empowered employees are more likely to collaborate for the benefit of the organization. To feel empowered, staff and volunteers need to have some degree of decision-making authority, especially for decisions that involve them and their work. Inclusive decision-making carries increased accountability for those involved. Sometimes this is a major change for those entering the circle of decision-makers. Mitchell and Learmond (2010) deduced from their research on three continents that engaging people is a key leadership task (p. 23). I interpret that to mean that a leader who is able to engage the hearts of the workers will be effective as a leader. In order to benefit from an engaged

workforce an organization needs leaders at all levels who can engage people in a positive manner.

Forward thinking is a trait present in entrepreneurial environments. In their exploration of Gidden's structuration theory, Staber and Sydow (2002) discuss the importance of thinking in the future, forecasting, and tooling for opportunities that might not even exist in the present (p. 410). Looking at leading indicators is found to be more fruitful than looking back at past history. For example, a president of a nonprofit envisioned the organization to be one that exemplified a learning organization. He felt that the future would require skills the employees did not have, and initiated a series of staff retreats designed to expose staff to theories of systems thinking, mental models, and team learning. His forecast was accurate. These skills were needed in order to achieve higher levels of performance and engagement. What was experienced was not reacting to change, but preparing for changes that had not yet happened, therefore an example of building adaptive capacity.

While it may be helpful to take a backward look to spot trends, shifts, and patterns, this retrospection is only useful if those observations are put into context that helps guide forward thinking. For example the technology providers who noticed the trend toward more mobile connectivity and provided more options to customers reaped the benefits. When that skill is paired with a willingness to entertain new ideas and change, perseverance to see a risk through, and a proactive approach, we can take it as an indicator the organization has a good level of adaptive capacity. One of the ways organizations stay alert to trends, shifts, and patterns is to stay well informed by a network of internal and external sources. Internal sources may be staff or volunteers who have noticed opportunities or can relay opinions of others. External sources appear in a myriad of forms including newscasts, blogs, or other

media. They may take the form of observations in public places or signage. Being open to unexpected sources of information or ideas may expand the perspective and the realm of what is possible (Staber & Sydow, 2002).

Being proactive means an organization embraces an anticipatory approach and takes action early, rather than waiting to be impacted by change. McDonald (2007) sees a correlation between proactive organizations and ones that are innovative. They tend to have in common the ability to offer new products and services, perhaps delivered in new modes, and they keep abreast of changes in technology, practices, markets, and client expectations. They could be described as trend-setters or front-runners.

Being a trend-setter carries a level of risk; however, the risk can be tempered by having contingency plans. Scott and Davis (2007) view contingency theory as an interactive and aware relationship between environmental conditions and an organization's plans. Their theory is based on the work of Lawrence and Lorsch (1967) who interviewed executives and came to the conclusion that different environments require different things of organizations, or what is required is contingent on the context, place, and time. According to contingency theory there is no single right way for an organization to proceed because so much depends on the external environment, the location, the culture, the economic situation, and possibly several other factors.

Future Oriented

Being future oriented involves having a clear vision that gives deeper meaning to the work by providing a higher purpose. A clear vision promotes clear values, clear goals, clear priorities, and a clear mission so what is envisioned is aligned with what the organization exists to do and be (Senge, 1990). Clearly stated values allow members to determine if their

personal values are aligned with those of the organization. Clearly stated goals and priorities enable members to make decisions that will advance the organization towards those objectives and make the best use of resources. A clearly stated mission allows members to "focus its attention on those innovations that will most likely support the accomplishment of that mission" (McDonald, 2007, p. 256). McDonald conducted two studies, one qualitative and one empirical, to investigate whether there was a link between organizational mission and the ability to be innovative. He found that the data collected supported the hypothesis of the connection. Nonprofits exist to fulfill their mission, not to make profits, so a clear link between mission, innovative practices, and adaptive capacity should be evident in order for a nonprofit to succeed in changing environments. Jaskyte (2011) adds that adaptive capacity may be a freeing factor because nonprofits are less concerned with the bottom line and more focused on fulfilling their mission (p. 78). Jaskyte interviewed 79 representatives from nonprofit organizations and examined predictors of innovation. Her research suggests the vision needs to be clear enough to garner commitment and passion, yet flexible enough to adapt to circumstances that shift and change. If staff and volunteers can state what the organization's objectives are, and the contribution their roles make to those objectives, it is a sign the vision, mission, and goals are understood. Other clues could be the documentation and display of the mission, vision, and goals, and more importantly, if the actions and behaviours of the stakeholders are seen to be aligned with those objectives. Ideally these guiding principles would be discussed at all levels at the creation stage, and input given by all stakeholders on a regular review basis. Shared ownership is important because it means collective and personal commitment to the outcome.

If shared ownership is felt, and if the indicators of success for each goal are clear, mid-course corrections can be made to ensure that an organization continues to work towards its vision, considering and adjusting for changes in the environment (Heifetz, Grashow & Linsky, 2009). An organization with adaptive capacity can then seize opportunities and direct energy and synergy in the most effective way. By reading the signals and connecting the dots, an organization can maintain awareness of the changes in their world and adapt accordingly (Fulmer, 2000).

Ideas, Creativity, and Innovation

An organization that is future oriented is poised for change. It notices and heeds the signs that hint at a serious need to make changes. Many will falter at this point. They will be aware something needs to give, but for one reason or another, will be unable to make the necessary shifts. The ones that can roll with the changes are likely to exhibit a high degree of creativity and innovation and therefore hold the key to unlocking the creative energy within their organization (Fulmer, 2000).

Many of the factors identified as contributing to an adaptive capacity appear to be tightly intertwined. Many technological inventions are the product of blending entrepreneurial mindset, creativity, and forward thinking. For example, Google continues to add features that are the result of this combination (Jarvis, 2009). Others have found opportunities in seemingly unlikely places. Who would have thought that golf carts would be ideal transportation in airport terminals?

Innovation is a term that recurs in much of the literature, in relationship to other traits that contribute to adaptability. There are several conditions that are presented as necessary to create adaptive capacity. These conditions include the ability to practice forward thinking

(Staber & Sydow, 2002), leadership (Mitchell & Learmond, 2010), innovation (McDonald, 2007), and an engaged workforce (Hull & Lio, 2006; Christensen & Ebrahim, 2006).

McDonald (2007) argues that innovation is a basic requirement for an adaptive foundation. He set out to explore the relationship between clear organizational vision and innovation, which he felt leveraged an organization to higher levels of performance and effectiveness. Although he did find a link between innovation and a clear mission, his study included only nonprofits that had already demonstrated innovativeness. There could be organizations that have clear missions that have not shown examples of innovative thinking.

Jaskyte (2011) noticed a gap in the literature regarding innovation in nonprofit organizations. She looked at a variety of organizations with a spectrum of programs and services. She gathered data from 980 respondents including employees, executive directors, and board members. She personally interviewed a group of executive directors and asked them to describe innovations that had been attempted, whether or not they were successful. The aggregate data were compiled and considered against a number of features such as size, culture, the level of formalization in the organization, and whether the innovations were considered administrative or technical. She found less attention was given to studying the organizational settings that facilitate innovation than to single acts of innovation (p. 77). In addition, most of the studies she found involved for-profit businesses. Jaskyte cautions that her research did not contain any effectiveness measures and that no causal inferences can be drawn from her work.

Although creative thinking and "thinking outside the box" is often viewed as a good thing, that may not always be the case. Gino and Ariely (2011) found there was an association between creative thinking and unethical behaviour. They define creativity as the

ability to produce ideas that are both novel and appropriate and they consider unethical behaviour to be actions that bypass moral rules. They conducted four laboratory studies that indicated a link between creative thinking and a propensity to engage in questionable behaviour, and then rationalize it more imaginatively. They tested those results in a field study and were able to replicate their findings.

Effective and Healthy Systems

Interdependencies exist through all layers and areas of a system and this will be evident in an organization with adaptive capacity. Information and ideas, like shareware software, are considered open source and shared freely for others to use and build upon. Senge (1990) suggests, "Systems thinking is a discipline for seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static 'snapshots'" (p. 68).

A healthy system makes effective use of communication points and utilizes the power of teamwork and collegial and participative relationships. Epstein (2008) found that building relationships with both internal and external contacts contributed significantly to organizational sustainability and indicated a sense of cohesiveness that resulted in effective relationships. His book focuses on organizational sustainability rather than adaptability, but his work has relevance to adaptive capacity because he has recorded his reflection on how large organizations leverage innovation and opportunity to achieve sustainability and financial performance.

Systems thinking involves considering the big picture. Mitchell and Learmond (2010) suggest members of an organization with adaptive capacity will be skilled in seeing the connection points both within and external to their organizations. They add that the

ability to build and manage networks and facilitate new connection points will be key to building effective systems. Mitchell and Learmond did extensive work comparing research studies and reports and noted a shift in the definition of leadership. In the past, a leader was respected for the ability to make decisions and take control. Now a leader who can create networks and facilitate decision-making throughout the organization has skills that are in demand (p. 4). For example, Mitchell and Learmond found that leaders need to be cognizant of the system's leverage points and information channels of their workplace. This is important because it signals a fundamental shift in how leadership and systems will be viewed and how adaptive capacity can be created.

Communication

The cornerstone of a healthy, effective system is communication. Heifetz, Grashow, and Linsky (2009) note that having a shared language, using the same words with the same meaning, facilitates communication, reduces misunderstandings, and contributes to adaptability (p. 9). For several decades, they have worked with thousands of people who are trying to build adaptive capacity in their organizations and found communication to be a cornerstone of these efforts. Their combined experience and observations led them to reflect on the themes that recurred in their work with clients. Communication allows the stakeholders to be aware of, and consider the whole enterprise.

Schein (1992) and Senge (1990) agree that an organization that makes information available and uses a flat, decentralized structure where staff have access to information and the larger system has a higher rate of idea generation, systematic inquiry, and shares information more freely.

Learning Organization

There seems to be a relationship between adaptive capacity and the ability to learn from internal and external situations towards continuous improvement. This often means adapting to the circumstance or the reality of the times. Learning involves changes in beliefs, attitudes, and in turn, behaviours, not just the development of new knowledge (Perkins et al, 2007). Heifetz, Grashow, and Linsky (2009) argue that these changes are the only way adaptive challenges can have any chance of success (p. 19). Their combined research and experience on adaptive capacity in societies, businesses, and nonprofits and working with clients from public, private, and nonprofit sectors in the United States revealed some consistency in their reflections.

The research and literature indicate that the ability to adapt, adjust, and invent on a continuous basis in response to external and internal changes is essential for building and demonstrating adaptive capacity. Hargrove (1995) defines single-loop learning as acquiring new skills through training; double-loop learning as "reshaping the underlying patterns of people's thinking and behaviour so they are capable of doing different things"; and triple-loop learning as "transforming who people are by creating a shift in people's context or point of view" (p. 27). Single-loop learning can be described as following the rules or standards established for a procedure. Double-loop learning involves questioning the rules or standards and exploring whether there is a better way to achieve results. Triple-loop learning goes even further and incorporates reflection on the process of double-loop learning, often using a debrief to learn what happened during the process. Triple-loop learning illustrates how problems and solutions are related and the part participants play in the circumstance.

Hargrove (1995) sees this as a form of empowerment, giving people the opportunity to alter their practices in support of learning.

The enhanced learning involves looking beyond the obvious and examining the situation with an eye toward uncovering the root cause of behaviours. For example, an organization that conducts a debrief following a meeting to discuss dynamics of the meeting, how it was conducted, what learning occurred, and how it occurred for the participants is demonstrating triple-loop learning.

This level of advanced learning occurs in the context of the work, and is easily linked to applications. It is connected, not separate, from the experience of doing the work and learning simultaneously, or in reflection (Hargrove, 1995).

Leadership

Jaskyte (2004) questions the importance of the link between leadership practices and innovative approaches. She proposes that some leadership patterns may even inhibit innovative thinking. She surmises that if leadership is directive rather than empowering, stakeholders may be reluctant to raise ideas or propose innovative practices for fear of rejection. Although leaders can facilitate and cultivate an innovative culture by promoting creativity, enabling processes for innovation, garnering resources, and providing support, there appears to be scant empirical evidence that there is a relationship between leadership and innovation (p. 154; 2011, p. 80). As this paper has already pointed out, innovation and adaptive capacity are not the same thing, and innovation can be applied in a reactive or proactive manner. It is useful to include innovation as an aspect that is linked to adaptive capacity, remembering that it is not the only component that will be evident in an organization that demonstrates proactive adaptive capacity.

It may be simplistic to assume that a specific leadership trait (i.e., integrity, inspiring a shared vision, developing other leaders) is a key element in an organization's adaptive capacity because there are different workplace contexts. However, according to Schein (1992) leadership and organizational culture are interlocked (p. 5), both shape an organization's adaptive capacity, and they should be considered together, not as separate factors. Leaders can set the stage for adaptability and innovation, but there are many other influences. Authors disagree on whether a strong culture contributes to an innovative, adaptable organization, pointing out that a strong culture is not necessarily a positive culture (Jaskyte, 2004, p. 157; 2011, p. 81).

People of different generations, different cultures, and different perspectives may be motivated by different things. The drive to contribute comes in many forms. A one-size-fits-all approach to motivation will not succeed because it does not consider the diversity of people's incentives. An effective leader will recognize that and act accordingly to harness the energy that is generated and fold it back into the organization. Heifetz, Grashow, and Linsky (2009) suggest an effective leader will be aware of the energy that is created by groups of people collaborating and tap into the potential for an upward spiral, fostering and modeling adaptability. They propose that leaders who can mobilize others to take on the challenges of change are adaptive leaders. They will likely possess an abundance of emotional intelligence that is essential in managing the diversity of the workplace and the marketplace.

Other Factors Contributing to Adaptability

The factors discussed to this point are dominant, but there are others that should not be ignored when reviewing adaptive capacity. An organization's financial resources to

mitigate risk and innovation affect its ability to support adaptability. The fit and selection of personnel determine to some extent how well an organization can adapt to change.

Networks are essential in building relationships that span the organization's system and reach external partners and clients. They are also powerful communication tools that can work for, or against, an organization. Social networking tools provide users with the ability to communicate to literally millions of others in a matter of seconds. Jaskyte (2011) states that networking can contribute to a cross-fertilization of ideas and an inclusive approach to innovation and information sharing (p. 79).

Few Limiting Factors

The review of the literature examines factors that enable an organization to be adaptive, and we cannot overlook the factors that will inhibit, constrain, or prevent adaptability, and suggests several directions for future research. Human beings have some typical responses to changes that may threaten them in some way, and these responses may take a variety of forms and come from a variety of value-based reactions. People may feel unable to adapt because of fear. Others may sense a loss of some kind, and resist the change in order to retain what they hold. The known may be tolerable, even if it's not optimal. Some people are naturally risk-adverse and will prefer the known to the unknown. Territory or turf wars in organizations may also hinder adaptive capacity.

Externally, excessive regulations may get in the way of adaptive or innovative changes. Organizations may have limitations on what they can and cannot do within their legal requirements or restrictions. Their own rules and policies may get in the way of their efforts to be adaptive. Jaskyte (2011) found that formalization, or the extent to which an organization employs rules and regulations, may inhibit or restrict the extent an organization

is innovative and adaptable. In her studies of a large network of nonprofit organizations including questionnaires and on-site interviews, Jaskyte found that when strict rules and regulations were in place, the level of creativity and the cross-pollination of ideas was severely curtailed. Her work revealed that when rules and regulations suppress creativity, limit communications, and discourage idea sharing, it is difficult to advance innovative proposals. Nonprofit organizations might be limited by the scope of what they are allowed to do by law and how their mandate is defined. They may also be limited in how they can spend or invest their revenue.

Drucker (1990) found nonprofit managers to often be inward focused and Warwick (2007) adds that the structure in nonprofits is commonly hierarchical, thereby making individual initiative difficult (p. 13). He maintains the position that bureaucracy might prevent stakeholders from questioning whether activities are aligned with the mission and that an excessive focus on rules and process blocks innovation. Several internal barriers to adaptability have been identified, not the least of which is the failure to be aware of existing mental models within the organization.   The inability of staff to feel like they have some control over outcomes and input into decisions can result in a feeling of hopelessness, helplessness, and scepticism whenever a new initiative is announced. Low commitment is often a result. Silo thinking refers to "solving problems in isolation" (Waldman, 2007, p. 8) and imposes limits on innovation and communication channels. If a culture of fear or mistrust exists, or if a competitive environment prevails internally, it may be more difficult to introduce new ways of thinking and innovative approaches. If an organization is highly bureaucratic and has an abundance of regulations, policies, and rules, these can easily foil change efforts. If staff are stretched beyond their limits and feel overwhelmed by the

workload or pace of change, or are transient, it will be even harder to instil a positive attitude to change.

Nonprofits face additional challenges when adopting new processes or services. For example proposed changes may need to be vetted by a board and comply with legislation. They may involve using new technology or reconfiguring their structure. They sometimes must consider ethical issues, the sensitivities involved in working with human beings, challenges in determining clear indicators of success, fear of negative media exposure, and accountability to funders, investors, and supporters (Jaskyte, 2011, p. 77).

Conclusion

What emerges from the literature review is the absence of any single formula for creating adaptive capacity. The context, structure, composition, and situational circumstance make it impossible to succinctly define a strict set of criteria for adaptability. Nonprofit organizations are dependent upon fluctuations in funding that impact their provision of social and community services. In these uncertain social and economic times, there is a pressing need for research on building adaptive capacity as defined as the ability to forecast changes based on signals and to prepare for future circumstances (proactive adaptability) in nonprofit organizations.

Key themes arising from the literature suggest that the critical components of adaptive capacity are (a) entrepreneurial mindset, (b) future orientation, (c) ideas, creativity, and innovation, (d) effective and healthy systems, (e) communication, (f) learning organization culture, and (g) leadership. Figure 4 illustrates a set of assets that constitute the components that have been identified as evident in organizations that practice proactive adaptability, or in other words, that have built adaptive capacity. While there is no specific

formula for adaptive capacity, it appears that all these components must be present to some degree. Research is required to confirm these linkages or determine whether there are other important components that have not been identified thus far.
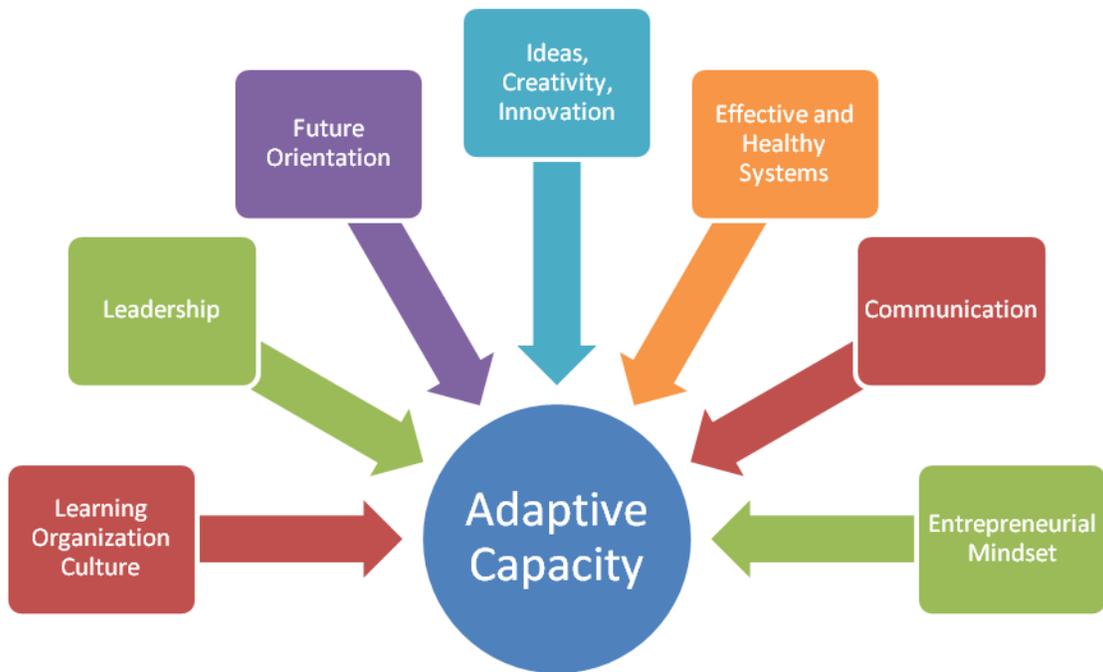
Figure 4. Key components of adaptive capacity as identified in the literature review.

CHAPTER THREE: RESEARCH DESIGN

Overview

This chapter describes the methodology used in this research to better understand how nonprofit organizations develop and exhibit proactive capacity to adapt to changing circumstances. It includes information on the processes of participant selection, informed consent and confidentiality, pilot study, data collection, and data analysis.

The research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" was addressed through a qualitative methodology. The formal scope of the research project involved data collection, analysis, and conclusions based on the findings.

The research looked at how some stakeholders in nonprofit enterprises experienced and described adaptability. Common themes and attributes became evident and provided the key to understanding adaptability in these establishments, providing valuable insight for other organizations.

Research Approach and Design

A qualitative, semi-structured interviewing approach that provided the participants with an opportunity to share their opinions, impressions, and thoughts regarding their nonprofit organization's capacity for adapting to change was used to conduct this study. Interviews were structured in a format that used a consistent set of questions for all, and incorporated the ability to probe deeper into specific areas participants deemed more relevant to their situation and allowed them to provide examples that would provide more detail. The same questions were asked of each participant, providing comparable data for analysis and

triangulation. The trustworthiness of the data collected during the interviews was strengthened by triangulating information from different participants in different nonprofits (Stringer, 1999, p. 176). Triangulation is a means of checks and balances to establish validity in research by looking for comments that are consistent or similar through the collection of interviews (Guion, 2002). Yin (2009) tells us that when multiple data sources provide the same evidence (triangulation) the conclusions can be considered trustworthy because there is alignment in the data. When more than one participant related the same point of view or opinion it was considered to add validity to the strength of the theme.

Interviews were a good method for this research because they honoured the humanistic experience of observing and reflecting on what participants have experienced. They also afforded the opportunity for the interviewer to ask clarifying questions. Interviews provided the participants with an opportunity to share their stories, experiences, and ideas regarding their nonprofit organization's adaptive capacity. Semi-structured interviews, or a "conversation with a purpose" (Sommer & Sommer, 1997), allowed the interview to take shape according to what the interviewee deemed important to share, while staying within the parameters of the objective of the conversation. The questions and responses guided the direction of the interview. The advantage to this approach is in the possibility of a revelation, or a turn in the conversation that discloses an area that had not previously been considered, yet yields rich data for analysis (Glesne, 1999, p. 90).

I developed a script as an interview guide to ensure the topic was covered sufficiently along with some prompting questions, if needed, to bring out aspects of the comments that completed the story.

The data collected in the form of stories, the process of reflecting on what the stories were saying, and the meaning made from those interviews afforded some conclusions about the factors that support or hinder adaptive capacity in nonprofit organizations. The stories described successes, challenges, or failures to adapt and the resulting implications to the organization.

This study did not involve personal, medical, or psychological information so the risk to the participant was minimal.

Conceptual Framework

The approach I have taken for this research project has its roots in grounded theory. Grounded theory broke from established social research traditions in that the data collected guide the formation of a theory, rather than using the research to validate a hypothesis. The data are collected and examined, themes are identified, and a hypothesis is then formed to guide subsequent work (Glesne, 1999, p. 22).

Gioia and Pitre (1990) describe this as theory building. They compared four different approaches to theory building in research and support the approach of broadening the theory-building process. Gioia and Pitre differentiate these approaches as (a) the interpretivist paradigm which describes and explains in order to diagnose and understand, (b) the radical humanist paradigm which describes and critiques in order to change, (c) the radical structuralist paradigm which identifies and persuades in order to guide, and (d) the functionalist paradigm which searches for irregularities and tests them in order to predict and control (p. 591). They propose that traditional approaches to theory building have given us a narrow view of organizational knowledge because they have focused on only one paradigm as a way to interpret and understand organizations. They describe an approach that aligns

with the process I have adopted for this project. They define this approach as the interpretive paradigm which involves looking at the data first, then making meaning of it to arrive at a theory (p. 588). This approach aligns with the objectives of this research, that is to understand the elements of adaptive capacity in nonprofit organizations.

Five pilot study participants from two nonprofit organizations in British Columbia shared their perspectives on adaptive capacity, and these perspectives shaped a set of themes about aspects of adaptive capacity. Table 1 illustrates the elements of adaptive capacity as described by the pilot study participants. Marsden and Townley (1996) tell us that theory is related to thought and reflection, while practice is about implementation, or the actual act of putting plans and ideas into practice. They encourage us to question the relationship between theory and what we see as evidence of practice. My position is that these themes may be more connected to nonprofit organizations in British Columbia than the themes identified in the literature review and this variance may illustrate a difference between theory and practice.

The data analysis suggests some inconsistency and variance between these themes and the themes that were discovered in the literature review. The formal research project explored these discrepancies and additional literature was sought, relevant to the analysis. This research assists us to better understand the juxtaposition of theory and practice in this arena.

The pilot study alerted the researcher of the need to modify the selection process for research participants. For instance, all the interviewees in the pilot study were female, so males were deliberately included in the formal research.

The conceptual framework illustrates how these themes are operationalized and are evident in terms of adaptive capacity within these two pilot study nonprofits. What emerged from the data analysis is an insight into the meaning that nonprofit stakeholders attach to adaptive capacity and the evidence they use to assess its presence or absence.

The relationships between the themes were also explored as a way to explain what is occurring and what the stakeholders are describing. Assumptions and beliefs about nonprofit organizations may lead us to contemplate other theoretical explanations.

Table 1
Concept Framework of Emerging Themes

Themes Emerging from the Pilot Study		
THEME	**HOW OPERATIONALIZED**	
Core Purpose	• Clarity • Alignment	
Commitment to the Organization	• Idea Creation • Readiness to Contribute	
Competing Priorities	• Shifting Ground • Challenge of Identifying	
Systems Awareness	• Internal & External Systems • Demographics • Global Aspect	Adaptive Capacity
Resource Availability	• Funding Sources • Staff & Volunteer Recruitment	
Demand for Services	• Increasing Workload • Relevancy	
External Impacts	• Economic • Demographic • Social/Environment • Political • Technology • Research	
Structure	• Processes • Communication • Hierarchy & Decision Making	

Value of this Research

      The risks were minimal and the benefits have great positive potential. The benefits to current and future clients of nonprofits are wide-ranging. Nonprofits cover a wide variety of social services and most, if not all, will need to change and adapt to client and societal needs as the demographics of our communities change. Technology is shaping how services are

delivered, and client expectations have shifted accordingly. Funding sources will change, and the ability to recruit and retain human resources will remain a challenge. This study has the potential to provide leaders of nonprofits with information that could enable them to stay viable and deliver their programs and services in an effective manner. That could benefit clients, volunteers, and staff of nonprofits; impact the communities they serve in positive ways; and begin to solve some of the problems nonprofit leaders are faced with on an ongoing basis.

Potential Risks

Any research project carries a certain degree of risk in the area of data security and confidentiality. I addressed this risk by keeping data in my home office in a secure location. Access to my home office is restricted to myself and immediate family members. The probability of unauthorized persons in my office is extremely low. There is always some degree of risk in terms of anonymity rather than confidentiality. Participants' identity was protected by use of a coding system that prevents their name being associated with their comments.

Participants were asked to share their impressions, experiences, and observations with me, carrying the risk that unpleasant or stressful memories might surface. Participants may have shared stories or experiences that reveal weaknesses or problems within their organization. While that may be considered a risk, it may also be a catalyst for suggesting changes that could lead to positive outcomes and become a benefit. Participants could have felt frustrated about their organization's situation, or they may have spoken proudly of the ability to adapt. If any of the organizations or participants are identifiable in this study it could have a negative impact on the organization if the participants' comments reflect their

views that the organization is not adapting well. That could in turn, make it difficult for the nonprofit to recruit staff or volunteers.

Informed consent is the first step in minimizing risk so that potential participants can make informed decisions to participate or not. The informed consent document I prepared (Appendix B) provided participants with information regarding the purpose of this research, the process to be followed, and the steps that would be taken to ensure their safety, privacy, and confidentiality.

I minimized the identified risks by keeping all data in a locked, secure location in a building with a security system, keeping data in a separate folder on my laptop which is password protected, using a coding system to ensure that participant names cannot be connected to comments or responses, verifying the transcripts with each participant, and acquiring signed informed consent from each participant.

These are risks that exist in any research study, and the processes and safeguards I put in place minimized the risks to an acceptable level.

Ethical Issues

The data were used only for the purposes for which the data were collected. Data in possession of the researcher will be destroyed upon graduation from the Human and Organizational Development program (January 2013). Appropriate safeguards for confidentiality and security were taken as described in the Potential Risks section of this dissertation.

In preparation for this study, I received approval from the Institutional Review Board at Fielding Graduate University. I familiarized myself with the principles of ethical research as identified in the Belmont Report as respect for persons, beneficence, and justice (U.S.

National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, 1979). The methodology has been designed to comply with all aspects of ethical social science research, respecting the privacy, confidentiality, and protection of information shared by participants.

Conflict of Interest, Researcher Bias, and Assumptions

I interviewed participants from nonprofit organizations with which I have no affiliation, in order to avoid any perceived or real conflict of interest.

My interest in nonprofit organizations and the services they provide for creating healthy communities and environments, and my focus on adaptability was kept in check through several means. I strove to retain objectivity and put aside personal bias while undertaking the research and analyzing the results. I was cognizant of my own biases when hearing and interpreting the stories and noted them in my research journal and I was mindful of separating the participants' stories from my own experiences as I wrote the findings.

There was an assumption that participants would answer the interview questions honestly, and that they had adequate experience with the organization to provide accurate and informed data. There was an additional assumption that the participants would accurately represent the larger sample population and that the findings could be transferred and applied to different nonprofit organizations. Conversely, there was a risk that the participants would introduce bias if they withheld information or answered in what they thought was a socially or organizationally acceptable manner. There was also a risk that the sample group would not accurately represent the larger population.

As published studies, research, and reports were sorted and sifted, it was important to keep in mind the "decline effect" (Lehrer, 2010) or the tendency of scientific claims to

receive decreasing support over time. Lehrer argues that scientists often have a preconceived idea of what their results may be when they begin the research, and may be unconsciously influenced by those ideas. It may be difficult to remain objective and include work that contradicts what the researcher believes. Lehrer cites a tendency for researchers to use selective reporting to include work that supports their hypothesis and omit work that does not support their theory.

My experience supported identification of key research questions and by my own reflectivity I strove to reduce and eliminate as much as possible any tendency to pay more attention to data that supported my underlying beliefs.

Participants

There are close to 300 nonprofit groups in the Greater Victoria area in British Columbia, Canada. I recruited participants from a variety of stakeholder roles. By inviting participants from a cross-section of nonprofits with a variety of objectives and scope, I incorporated diversity and heterogeneity into the research. The intention was not to create a composite picture of any single organization. I sought out participants who were involved with nonprofits in a variety of ways, including board members, staff, and volunteers.

I had conversations with directors from umbrella volunteer organizations. Early conversations indicated they support the concept of this research and they offered to assist and open doors to facilitate the research. They offered access to their libraries and report collections.

My participant group was limited to English-speaking nonprofit organizations in British Columbia, Canada, contributing to information that will identify challenges facing Canadian nonprofit organizations in 2012 and beyond. Participants were selected from a

cross-section of nonprofit organizations in the Greater Victoria, British Columbia area. My

sample population was recruited from nonprofit organizations that exist for cultural,

educational, environmental, humanitarian, health care, and public services purposes.

I conducted interviews with 13 participants from five different nonprofit

organizations. Marshall (1996) says that it's important to answer the research question, and

the optimum sample size is one that will provide data that will address the question (p. 523).

This sample size is appropriate for this study because it allowed an in-depth exploration of

the data that were gathered. Too large a sample would have been prohibitive in terms of cost

in time and resources. It was realistic to expect that "theme saturation" (p. 523) or the point

at which no new themes are introduced, would be achieved with that number, and it was a

large enough sample to ensure that all themes would be identified.

Data Collection

Pilot Study

The purpose of the pilot study was to test the feasibility and effectiveness of the

process (recruitment, eligibility, protocol, instructions, timing, sequence), test the

effectiveness of the proposed questions (clarity, sequence), and the resources (invitation to

participate [Appendix A], informed consent form [Appendix B], permission to digitally

record form [Appendix C], digital recorder) and to identify any logistical problems prior to

beginning the formal research proposal. It also served to test the data collection and analysis

process, and allowed me to develop practices that suit my learning style. For example, I

created a checklist to track the status of scheduling, interviews, and transcripts. I created a

research journal in a format that worked for me using a small three-ring binder, coloured ink,

and sections that could be moved around. The pilot study provided a test run for the logistics

of conducting the research, the value of the interview questions in relation to the research question, and the analysis approach.

I chose two organizations that are impacted by changing demographics, lifestyles, and economic environment for the pilot study. Both of these groups serve a social need and both depend on volunteers to operate.

I made telephone contact with a representative from the selected organizations, introduced myself, and outlined my research as described in my invitation to participate form (Appendix A). I inquired about the process for gaining access and/or permission to interview participants and learned that no letters of approval were required. I made it clear that the identity of participants, including their supervisor or organizational leader would not be disclosed.

I emailed the invitation to each organization's contact person for them to distribute to those they thought were appropriate people to interview. The criteria for selection were that the interviewees are currently engaged and actively participating in a nonprofit organization.

The invitation to participate (Appendix A) included two attachments: the informed consent form (Appendix B) and the consent for digital recording form (Appendix C). Both were signed and returned to me by each participant.

The informed consent document (Appendix B) contains the following paragraph that states participation is voluntary, so the participants could refuse to participate, or withdraw at any time. "Your participation in this research is voluntary and you may withdraw from this study at any time, either during or after your participation. Should you withdraw, your data will be eliminated from the study and will be destroyed."

I invited only those that met the research criteria, so I did not need to exclude any

participants. Approximately one week prior to the interviews I sent an electronic

confirmation and thank you to the participants (Appendix D) and following the interview I

sent a hand-written thank you card expressing my appreciation for their participation in the

study.

Pilot study participants were asked for their feedback on the process, the information

and instructions given to them, and the questions themselves (Appendix E). Their comments

were positive and no changes were necessary to the questions or the materials provided to

participants. The pilot study also served to detect any questions or areas that could cause

consternation, of which there were none.

I used an electronic digital recorder and a speaker-phone to record the conversation

for accurate transcription. I made sure I had fresh batteries before each interview. The room

the speaker phone was in was quiet and there was no background noise to interfere. The

sound quality was high and the recordings were clear. I copied the audio files to my laptop

for backup, allowing me to listen to the interview as many times as I needed.

Prior to turning the recorder on, I built rapport with the participant and referenced

informed consent, confidentiality, and voluntary participation.

I took some notes on paper during the interview, which helped me to track the

conversation and use prompting questions if necessary. Before transcribing, I used the notes

to create a draft transcription framework, which allowed me to transcribe more efficiently

and provided a template that lent structure and consistency to the transcribed documents.

The value of reflecting at the end of each interview was reinforced. I incorporated

the practice of noting my personal reactions or thoughts during the interview

(i.e., participants' comments that I agreed with and what was conflicting for me. Was the interview similar or different than I expected? What was learned? What was a surprise?). I was made aware of my thoughts on participants' perspectives. For example, I noticed how the awareness of the complexities varied depending on the participant's role in the organization and what he or she was concerned with in his/her role. I noted contradictions in their perceptions of what was deemed important. For example, one person said "they" (management) were not concerned with how people felt, while one manager said they were aware and concerned with this aspect and gave examples of how personal feelings and reactions were considered and accommodated.

I transcribed the pilot study interviews manually using the pause and resume features on my digital recorder. I slowed the playback to a speed where I could type as fast as the interview played. This worked well; however, as the study expanded and a larger number of participants were involved, I experimented with a software product that converts spoken word into type. I later abandoned this software for transcription purposes because of its limitations but found it to be a good tool to capture the post-interview notes.

The pilot study alerted me to the need for some changes in process. When transcribing the data, I began inserting a time stamp at the top of each transcribed page so if I needed to return to a section of the recording for verification or closer inspection, I could do so quickly and easily. Conversely, if a participant said something that I thought was pertinent, I noted the time given on the recorder in my hard-copy notes as a quick reference to locate the audio quote later.

I learned that what I had assumed at the beginning of the pilot study might not be the case in reality. For instance, I had pictured doing all the interviews face-to-face in Victoria.

However, during the preliminary discussions with my contacts at the selected pilot study organizations, it became apparent that although a nonprofit may operate in Victoria, the head office, or regional quarters may be located elsewhere. I had to adjust my process to accommodate telephone interviews.

I learned the value of tracking the various consent forms and process so I created a checklist to document when consent forms were sent and returned (Appendix F), when interviews were scheduled and held, when feedback on the process and questions were sent and returned, and when the transcript was sent for verification and returned. This simple organizational tool saved me much time and stress throughout the data collection phase of the study.

I am not a member of, or have any affiliation, with any of the groups in this research project and participants did not receive any compensation in return for participating in the study.

There were several costs incurred during the pilot. Including participants from other locations meant that consent forms and invitations had to be mailed to me in order to have their signed consent. While the cost for the pilot study was small, it is something that needs to be considered for the formal research. In addition, there were long distance telephone charges. These costs impacted the scope of this study somewhat because I had an extremely limited budget to work within.

The pilot study was conducted in the summer months and that introduced a scheduling challenge. Although in this case the participants went out of their way to be available despite conflicting schedules, the timing of the research is also something to be considered when planning the timelines.

With the conclusion of the pilot study, I documented the process and the learning and began to organize the transcripts for analysis. Now I was ready to begin contacting suitable organizations and invite them to participate in the formal research, using the same process as the pilot study.

Interviews

Most of the interviews were conducted over the telephone, which had advantages and disadvantages. It allowed people from outside the interviewer's geographic area to be included, since travel was not necessary, and the participant may have felt some privacy since we were not face-to-face. It may have eliminated bias since non-verbal cues were not seen, or it may have introduced bias for the same reason.

Each interview lasted approximately 60 minutes. The total time involved in participation was approximately two hours and included the interview and the review of the transcriptions of their interviews.

The questions used to guide the interviews were

1. What kind of changes do you see in the work you do with your nonprofit?

2. What internal changes are affecting your nonprofit organization?

3. What external changes are affecting your nonprofit organization?

4. How do you view adaptability in your nonprofit organization?

5. Can you share a story about how your nonprofit organization adapts to change?

6. What do you think your nonprofit organization needs to continue to do?

7. What do you think your nonprofit needs to change?

8. In your view, how should a nonprofit address these changes?

These questions were expanded or adapted to suit the participants' relation to the organization as a board member, front-line worker, volunteer, or staff member. A detailed interview protocol is provided in Appendix G.

The process needs to find the balance between structure that provides consistency and flexibility to allow the conversation to evolve and the participant to include examples or perspectives that are relevant to their experience. This may include translating "organizationese" language or jargon specific to an organization into the transcripts by inserting bracketed explanations or definitions into the transcripts. Ryan and Bernard (2003) call these terms that are specific to the organization "indigenous typologies or categories" (p. 89).

After the Interview

The interview responses were captured using a digital recorder and although I transcribed the pilot study recordings myself, logistics and time constraints required that the remaining interviews be transcribed by a transcriptionist, who provided a signed confidentiality statement (Appendix H). The transcripts were done verbatim. This technique is time consuming, but lends additional credibility to the study because the researcher is using the actual words of the participant, not a summary by the transcriptionist. This prevents any premature and possible incorrect analysis of the data.

Reliability, or consistency (Palys, 2003, p. 63) and validity, or trustworthiness (Glesne, 1999, p. 32) of the information was established by sharing the transcripts with the participants to verify the information as I heard it, which provided verification of the data accuracy. I also gave them the chance to alter or rescind the information given to me, both verbally and in writing, along with a time frame to confirm. This practice provided a way to

ensure reliability and validity of the data through triangulation with the participants

themselves, and supported the integrity of the data.

The interviews were saved in both audio and written transcripts. I was able to hear or

read the participants' responses and have the data very transportable. The audio files could

be loaded on my iPod for listening in any location, or burned to a CD so I could listen to

them while driving. The Word documents could be converted to a pdf file and uploaded to

my eReader so they could be read anywhere without transporting my laptop or paper files.

This practice provided maximum flexibility in accessing the data and was a built-in backup

system for audio and text files that contained interview data.

Data Analysis

The grounded theory process was the methodology that seemed the best fit for this

research. I chose a grounded theory approach because it was consistent with my philosophy

that the participants possessed the information that would answer my research question and it

provided a structured way to analyze the data and discover the knowledge held by the

participants. The concept of grounded theory is that research findings will emerge from the

data, from the themes identified through coding, without the limitations of preconceived

conclusions (Gibbs, 2010). Grounded theory does not set about to test a hypothesis, but to

discover meaning from the material. The theory that emerges is said to be grounded in the

data and not forced into categories.

Data analysis involved identifying the themes and common experiences shared in the

interviews and constructing meaning of them in terms of the research question. Glesne

(1999) tells us that

Data analysis involves organizing what you have seen, heard, and read so that you can make sense of what you have learned. Working with the data, you describe, create explanations, pose hypotheses, develop theories, and link your story to other stories. To do so, you must categorize, synthesize, search for patterns, and interpret the data you have received. (p. 130)

The literature (Gibbs, 2010; McLellan, MacQueen, & Neidig, 2003; Ryan & Bernard, 2003; Saldana, 2009) suggests looking for repetition of words or expressions, looking for differing experiences, as well as what is missing from the stories. Data analysis primarily involves the identification of themes and a variety of methods can be used to accomplish this. Ryan and Bernard (2003) share some techniques to identify and recognize patterns and key words in the narrative. They tell us

Analyzing text involves several tasks: (1) discovering themes and subthemes, (2) winnowing themes to a manageable few (i.e. deciding which themes are important in any project), (3) building hierarchies of themes or code books, and (4) linking themes into *theoretical mode.* (p. 85)

Word repetition is the most obvious way to identify themes. The researcher reads the text of the interviews, and, notes frequently occurring words and synonyms. Another way to identify themes is to look for indigenous categories, or words that originate in jargon or "local language." The jargon may be organizational, cultural, or geographical. Metaphors and analogies may be used instead of recurring words, but they still indicate a theme. Connecting words that indicate a relational aspect between themes is useful for the researcher to note. Missing information can also reveal a theme. Instead of searching for visible themes, the researcher notes what is missing or not raised in the interviews. McLellan, MacQueen, and Neidig (2003) encourage researchers to look beyond the actual words and notice how participants frame their comments, how they describe events and their experience of them, and what relationships exist between the details in the descriptions (p. 67).

Armed with those guidelines for conducting data analysis, I organized the transcripts and began. I used an inductive approach which means the codes emerged from the data and were not predetermined (Mackey & Gass, 2012, p. 181). The process made sense to me, and although I found information on the objectives of this type of data analysis, there was a lack of information or advice on how to go about this process or examples of techniques. I struggled with determining how to proceed until my faculty mentor recommended that I "feel my way through the data" and define my own technique to make meaning of the material that had been collected and trust the themes and categories that were emerging.

It was useful to remember that open coding means staying open-minded regarding the development of categories and not filtering the text (Gibbs, 2010). I began by creating a table with three columns. The left-hand column contained the actual verbatim transcript. The centre column was for the codes I generated, and the right-hand column was for notes made while coding.

I highlighted selected passages that stood out as significant or passages where the participants had put emphasis or energy. I noted how they described what was going on and what was assumed, taken for granted, or considered a mental model for them. A list of one-word or short phrase codes was generated in the centre column from this first examination. If more than one participant expressed the same thing, I took that as clue that it was a valid code. I considered how it contributed to the understanding of adaptability, if an idea or a concept regarding adaptability was raised, or if an example was given that demonstrated the presence or absence of adaptability.

Sometimes I listened to the audio while I was coding; other times I used paper, highlighter, and pencil only. I considered this my first pass through each transcript.

The second pass through the transcript was more focused and I was deliberately looking for comments that described some topics suggested by Graham Gibbs (2010). He suggests including participant comments that relate to

- The phenomenon, the central idea, event, happening, or incident being studied, in this case adaptive capacity in nonprofit organizations;

- Causal conditions, the events, critical incidents, or happenings that are affecting the topic;

- Strategies the participants are using to address the phenomenon;

- The context of the topic;

- Intervening conditions that shape, facilitate, or impact the strategies the participants are employing;

- Consequences or the outcomes and results from the strategies.

During the second pass through the transcripts I incorporated a data analysis software program called NVivo. The transcripts were loaded into the program and the task of highlighting text and assigning codes began. I chose to use a data analysis program because of time savings and convenience. These programs facilitate the sifting and sorting of coded material much more easily and quickly than manual cutting and pasting. They allow the researcher to query the material in ways that would be nearly impossible by hand. For example, I was able to query the data to learn what female participants said about innovation, or what staff participants said about demographics. I was also able to group all the responses to each question together to see a collective response, from all perspectives and compare the viewpoints.

Computer data analysis programs do not replace the researcher's skill but they do free the researcher of time-consuming manual sorting, cutting, and pasting data in order to compare and contrast comments and notes. They require an investment of time to learn the software and there is the risk of using queries to capture a breadth of data instead of doing a deep dive into the material to glean more meaningful interpretation. NVivo is an effective tool for managing the data but it does not do the thinking! The researcher must drive the process, not the software. The researcher determines the shape and form as a result of interacting with the data.

I then read the transcripts a third time, now following the advice of Saldana (2009) when he recommends pulling out comments that speak to a participant's emotions, values, and any references that contain contradicting elements. For instance, a participant might refer to an experience that made him or her proud, or elicited an emotional response like frustration. Participants might talk about why something is important to them or aligned with their value and belief system. They may compare or contrast experiences using terms like "then and now," the old way and the new way of working, or innovation as opposed to the tried and true.

The second phase of data analysis is axial coding, or grouping the codes according to their similarity, or relationship with each other. It involves constant comparison, or constantly comparing the existing codes with potential new codes and determining if there is a connection. Some codes will be amalgamated and some will be refined into subcategories. For instance, the codes "economic realities" and "demographic changes" are connected to each other because as the population grows and demands shift, the financial requirements change.

I continued to comb the data looking for things that didn't fit, any outlying codes that required a closer look, and anything that I had missed in previous passes. By now some patterns were beginning to stand out.

By the time I had coded all 13 transcripts, it was evident that I had reached data saturation (Saldana, 2009, p. 161) and no new codes were being generated.

The next step in the analysis process was to look at the codes that were created and separate those that directly addressed the research question. Although many of the comments were interesting and provided information that could be useful, the codes that were identified as being relevant to answering the research question were the ones that warranted a closer inspection. In order to sort the codes accordingly, I again created a table with three columns. The column on the left was titled "Codes that inform the research question," the middle column was labelled "Codes that don't," and the last column was for "Not sure yet." Writing a description for each node that supported the research question helped to determine which, if any, of the codes in the "Not sure yet" column did in fact address the research question.

I then wrote a definition for each code and justification for selecting it as one of relevance to the research question. I printed out the code containers so that I had all the comments for that code in one place and began a very focused examination of those quotations.

Table 2

Code Definitions and Justification

Code	Definition	Justification
Action, Interaction, Strategies - General - Proactive - Reactive	Actions, plans and strategies that participants described that were either proactive and supported adaptive capacity or were examples of a reactive state.	This code is included because it contains examples of how nonprofits are demonstrating adaptive capacity.
Communication, Feedback, Input, Awareness	Ways in which the organization or stakeholders share information and the positive effects of good information flow as well as the consequences of poor information flow.	This code is included because these are elements that the participants described as supporting adaptive capacity.
Core Purpose - General - Niche	The main purpose of the organization, including vision, mission, and mandate and how clear it is to the people in the organization.	This code is included because this is an element that the participants described as supporting adaptive capacity.
Innovation	The ability to create new ways of working, new products, new services and have new ideas championed by the people in the organization. The freedom and autonomy to invent.	This code is included because this is an element that the participants described as supporting adaptive capacity.

Table 2 (cont'd)

Code	Definition	Justification
Leadership	How individuals motivate and support others in support of the agreed-on goals. This code includes examples of how people in leadership roles (informal or official) have demonstrated qualities that have supported adaptive capacity.	This code is included because this is an element that the participants described as supporting adaptive capacity.
Learning	Personal and organizational learning that has helped to propel the organization forward. It includes feedback loops and experiential learning.	This code is included because this is an element that the participants described as supporting adaptive capacity.
Memorable Quotes	A container node to capture quotes from participants that may be included in the dissertation.	This code is included because it contains quotes from participants that relate to their experience of adaptive capacity in their nonprofit.
Opportunity	A circumstance, situation, time or place that appeared for the organization to grow, develop, or advance.	This code is included because it contains examples of situations where an organization could demonstrate adaptive capacity.

Table 2 (cont'd)

Code	Definition	Justification
Partnerships, Connections, Relationships	Contacts and connections within or external to the organization that are beneficial to supporting adaptive capacity.	This code is included because these are elements that the participants described as supporting adaptive capacity.
Phenomenon – Adaptive Capacity	The central idea that is being studied. In this case, it is adaptive capacity in nonprofit organizations.	This code is included because it contains comments that relate to how the nonprofit views adaptive capacity.
Risk Tolerance	The level of comfort of the organization in taking risks.	This code is included because this is an element that the participants described as supporting adaptive capacity.
Short Term vs Long Term - Big picture view - General	The way an organization views itself and the way it fits into the market, system, or global aspect.	This code is included because it contains examples of how a nonprofit sees itself in the holistic sense and is able to read the radar, scan the horizon and plan for the future in an adaptive way.
Structure - Board - General - Historical aspect - Size	The way the organization is organized and its history.	This code is included because it relates to some forces that support adaptive capacity.

Table 2 (cont'd)

Code	Definition	Justification
Values	What an organization and/or the people in it deem as important and reflects their beliefs about what is appropriate, has worth, and that reflects the culture of the organization.	This code is included because it relates to the values expressed as supporting adaptive capacity. The values may be personal values of the participants, or values stated as important by the organization.

With the codes narrowed down to those that addressed the research question, I focused on the selected 14 codes and the collection of memorable quotes. I distilled the core elements of each code, again asking, "What are they speaking of?" in order to determine and identify underlying themes. I also noted any keywords that warranted a closer look such as "niche" or "unique."

Up to this point I had been "up close and personal" with the data, immersed in the detail of the comments and codes. Now it was time to take a step back (or up) and view the data from a broader perspective and see the forest, not the trees. I asked different questions of the data like "What ideas from the literature connect with this research? What aligns? What contradicts?" "What patterns am I seeing? Are certain participant groups saying the same thing? Are women saying different things than men?" Are there relationships between codes? How do they relate? Are some a consequence of others?" "What does not fit? What is outside the patterns? What contradicts?" "What is missing? What has no one

mentioned?" "What did I not expect to find?" The answers to some of these questions are included in Chapter 4 and proved to be significant to the topic of adaptive capacity.

The data analysis yielded insight into the collective experiences and opinions of the participants, and my role as researcher was to interpret those offerings in relation to the research question.

Summary

This chapter described the methodology and process for gathering data that addressed the research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" and allowed the researcher to determine the findings of the research, discussed in Chapter 4.

In short, the process for the grounded theory methodology in this study was data collection; data preparation; reading the transcripts and assigning codes using both a manual process and NVivo software; grouping, defining, and classifying codes; determining relationships between codes; finalizing themes and supporting them with quotes from the participants.

CHAPTER FOUR: FINDINGS

Introduction

This chapter reveals what the participants reported contributes to adaptive capacity in their nonprofit organization. Fulmer (2000) describes a culture or atmosphere that supports adaptability as one where "people are comfortable and can succeed in the middle of uncertainty, ambiguity, and change" (p. 153). The interview participants in this study described circumstances and attitudes that contribute to a workplace where people are comfortable and feel positive towards change.

The data are examined through two frames. First the transcribed data are grouped by elements that are impacting nonprofit organizations and examined through that frame. We will look at the collective answers to the research questions regarding the nature of changes facing nonprofits and how the participants view adaptive capacity in their organization.

The transcribed material is also viewed by the codes most assigned during the analysis process. The six codes that had the most content, or were mentioned most by the participants are highlighted for closer examination. The codes that were richest in the number and volume of comments were (a) communication and connection, (b) partnerships, connections, and relationships, (c) learning, (d) innovation, (e) human element and attitude, (f) leadership, and (g) structure. They have been grouped in different combinations throughout this chapter reflecting the organic nature of adaptability.

There was a temptation to include what the participants said hindered efforts to build adaptive capacity. The neon pink index card with the research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" served as a

clear reminder of what was within the scope of this dissertation, and what must remain on the note pages. Some themes overlapped, such as communication and relationships, partnerships and connections, and learning. For the sake of discussing themes from the research I will discuss them first by looking at the collective answers to the research questions, and then according to volume of comments by the participants. The themes from both approaches were consolidated into the following categories shown in Table 3.

Table 3

Themes Emerging from the Research

Themes Emerging from the Research		
THEME	HOW OPERATIONALIZED	
Core Purpose	• Focus on mission and identity	Adaptive Capacity
Human Element	• Right people in right roles • Appropriate expectations • Suitable leadership	
Partnerships, Connections, Relationships	• Internal and external	
Learning	• Personal • Organizational • In relationship to others	
Capacity	• Funding Capacity	
Innovation	• Creative • Tolerance for risk	
External Impacts	• Economic • Demographic • Social/Environment • Political • Technology • Regulatory requirements	
Structure	• Communication	

The data gathered through the research interviews can be distilled to the seven main themes of (a) core purpose, (b) human element, partnerships, and relationships, (c) learning, (d) capacity, (e) innovation, (f) external impacts, and (g) structure. There is considerable overlap and intersection among the themes, so for the purposes of this document it is

appropriate to accept that the arrangement is organic and not rigid and allow for flexibility in the way the themes are assembled in various groupings.

<center>**The Nature of Changes Affecting Nonprofits**</center>

This section focuses on context information about the nature of changes that participants observed or experienced in their nonprofit organization. It specifies what changes originated from an external source, and what changes sprang from within the organization. Participants readily listed the factors that impacted their nonprofit and affected not only their daily operations, but changes that affect the long-range plans of the organization. The topics identified by the research participants are (a) economics, (b) technology, (c) internal impacts, (d) demographics, (e) expectations and societal shifts, (f) size and structure, (g) market demand, (h) professional relationships, (i) external impacts, (j) political implications and research results, and (k) identity.

Economics

Funding was mentioned repeatedly in the participants' comments. They mentioned increased competition for government funding and more stringent application processes to access public dollars. When the priorities or interests of the funders shift, nonprofits may have to reassess their own focus. For instance, as environmental issues like energy conservation are brought to the forefront, government funds may be funneled into initiatives that support practices that contribute to those issues. Another example given by a participant in the social services sector shows how shifting the focus of funders can be an advantage. Government funders have become aware of the opportunity to save escalating health care costs by funding nonprofits who educate and support prevention. Those nonprofits may find it easier to access funds to support their programs. One participant offered an opinion that

funders may be more likely to support front-line, or more visible, tangible services and products, and pass on the ones that are more foundational. Public perception about what is important may also influence funders. Nonprofits that are working towards solving issues of child abuse, mental health, addiction, and homelessness may be favoured over others whose causes are more in the background such as training or skill development. Given that, one participant said, "We have to think of new and different ways of engaging funders. Finding a new way of relating to funders so they can think of us in terms of their priorities."

Economics impacts nonprofits in other ways such as the cost of delivering services or maintaining operations. As the cost of fuel and wages rise, so do the figures on the expense sheet. As some nonprofits are challenged to finance their operations, initiatives are put on hold for future.

Technology

Technology permeates our society and nonprofits are challenged to invest in hardware, software, and training to keep up. This carries an obvious financial impact and calls for the consideration of a host of related aspects. There is a growing expectation that clients will be able to access information online to gather information or use a "self-serve" approach. This means that organizations need to create and maintain web pages and build or buy systems that can accommodate the means for the public to interact with them online. It carries the expectation of speedy replies, shortened delivery times, and instant resolution. The advent of technology is a double-edged sword. It has enabled nonprofits to raise awareness of their services and products, vastly increasing the number of people they can reach. One nonprofit said they had been able to direct more of their allotted resources from reactive practices

toward education, prevention, and awareness. At the same time, technology has introduced

additional levels of complexity and costs.

Technology has not completely replaced traditional methods of interacting.

Nonprofits must still be able and willing to connect with clients in person, by mail, or by

telephone. Nonprofit organizations who work with the aging population have found they

must be mindful of not leaving people behind in society's rush to shift more and more

communications to electronic means. One participant brilliantly described "adapting

cautiously" when relating an example to illustrate her words of caution.

> So much is happening nowadays around technology and a lot of customer
> service involves pushing buttons on the phone or being online. A couple of
> years ago there was some real interest in using technology more. It would
> allow us to reach more people and we could increase our numbers
> tremendously. It's been one of those areas where rather than quickly jump in
> there, we've had to look at it and have had to proceed quite slowly for a
> number of reasons. Technology is very costly and you have to put out a major
> investment in capital. When we look at the client group that we serve the
> majority of people are elderly, they're not comfortable with it, and they're
> hard of hearing and they're not going to be looking for things online.
> It's knowing that there's this very fast trend out there with technology and
> knowing that we have got to do that and that we have to be making advances
> in that way because it's going to become more and more but also knowing that
> there's this whole group of people that need to be served in another way and
> there's also this intangible thing that people gain at our programs that's not
> just about information. It's about connecting with others and feeling that
> they're not so isolated and regaining that sense of emotional support and
> person connectedness and that has a value to it that's very hard to quantify.
> So again, it's trying to balance those things and make sure that we keep
> moving forward and we use technology. We have to be moving and doing all
> those things without throwing the baby out with the bathwater.

Considerations need to include internal staff and volunteers as new software is

implemented to manage databases and other internal processes. One participant described

what needs to be considered when acquiring a new program and cited accessibility issues like

passwords and access to different areas of the information. These electronic tools can be a

boon to an organization while sometimes a limiting factor to the users. Facebook and Twitter are social media tools that have become tightly integrated into an organizational communication strategy. There is an expectation that an organization will have a Facebook page, a Twitter feed, and possibly some YouTube videos, and these will be regularly and frequently updated.

Technology can also inadvertently or purposefully change the dynamics of an organization. For instance, the shift from a physical location to purchase supplies and regalia to an online transaction and ecommerce process served to eliminate a meeting place for volunteers. This meeting and gathering place provided an opportunity to communicate, build relationships, and share practices for members. Some members considered it an integral part of the nonprofit and grieved the loss. One person described the informal atmosphere that facilitated connections. "It's the general store in a small town where people stopped and chatted and you'd go there and spend an hour talking with people about different things." The importance of these conversations was elevated as a participant said, "It gave us a chance to see the bigger picture" referring to the information obtained on activities and viewpoints from outside the immediate vicinity. The online commerce and program registration process may have resulted in another unintended consequence. Previously, program registration occurred in person and allowed a personal introduction to the organization that is not possible with electronic registration. This initial contact was an opportunity to begin a relationship with the client and perhaps entice the client to volunteer as well. Without that early personal contact, recruitment committees have had to find other means to engage potential volunteers.

Internal Impacts

Nonprofits that have regional or national headquarters may be impacted by change initiated from within. One participant described how new processes initiated from the top affected local operations in terms of how revenue was collected and submitted, and the logistics of working with new timeframes and policies. The participant shared that some of the decisions look good with the paper justification but often logistical tribulations don't arise until far down the path.

Demographics

The growing aging population highlights some generational expectations. One nonprofit in this study noted that staff and volunteers span a large age range, and the differences in what the generations bring to the table, and expect in return, is quite distinct. In addition, with large numbers of baby boomers verging on retirement, the profile of workplaces is changing. Nonprofits, like other organizations, are challenged with turnover, retaining corporate knowledge, and retaining expertise. For some nonprofits, the capacity to deliver in the face of increased demands has been an external impact that has had a profound effect on them. A nonprofit that works with aging clients reported an increase in demand for services that has been unprecedented. And that number is expected to grow.

Demographics affect the ability to attract volunteers to some nonprofits. One participant who works with youth and depends on parents to volunteer spoke of how there are fewer stay-at-home parents to volunteer and more activities for youth to choose from. "It becomes a struggle when you have single parents or both parents are working and you have a

couple of kids and you're driving to all these different activities." Time is short for people, and nonprofits that rely on parental volunteers are feeling the scarcity of helping hands.

Expectations and Societal Shifts

Changing expectations are not limited to any age group. One nonprofit that provides training has had to redesign some of its programs to meet the changing demands of its market. They've learned that their clients want shorter, more focused programs instead of one that takes months to complete. They want to engage in the learning experience and they place a different value on the options available to them. They have choices in what they enroll in and they are increasingly choosing shorter, more intense programs that can be taken as a series rather than one long program. The swing in market demand was described as "The change that we are responding to is changes to generational expectations as to what a useful learning experience is." There is more competition in the market place for services and the customer can choose from a broad array of options. Nonprofits who do not meet the expectations of the customer will be the ones who are left behind.

Societal relevance is a factor raised by one of the nonprofits that works with youth. If their programs are not seen to be current, relevant, and in tune with the modern world, youth-serving agencies will not succeed in attracting young people to their programs, and later on, to volunteer in the organization. Despite the challenges, they have not veered from their core purpose and have asked, "How can we twist the program to interest them [youth] but continue to teach them valuable life skills?'

Size and Structure

Growth, downsizing, and right-sizing was another area identified by participants as important to consider regarding adaptability. One participant describes the shift and fluctuation:

> It varies. Within the organization we have had a lot of change because we have had an incredible amount of growth and then a lot of downsizing and then a lot of growth again. And we are about to go into another period of downsizing. Every time we go through that it is a huge change for the organization.

As some nonprofits face an increased demand in services and need to expand their operational capacity, others are streamlining and finding ways to adjust their resources to fit the fluctuating market. One participant commented on the necessity of flexibility and having partners and contractors who could join the team when demand was high and step back during seasons or cycles when the demand was less. They described their experience and learning as follows:

> When the growth first started because of the external market forces we really thought that it was going to go on for quite a long time, we were really positive that it was going to be long term. We might have been a little naïve but we had the rug pulled out from under us without any warning so we have really learned from that. Whenever the market kind of goes up we are prepared for that, that it is not going to be long term and we are able to function as a much smaller team.

What they found surprising was the effect this variable situation had on the culture of the organization. Another nonprofit cited a change in their culture brought about by a more equal gender representation.

In some cases the market drives the need to resize. One participant recounted that a sudden demand for their services revealed inadequate processes and infrastructure that initiated a series of internal changes and redesign activities. "The sudden public demand that

we experienced was a big shock to our internal system. We had very little that was ready to deal with the wave of calls that came in. We didn't really have any kind of software developed for dealing with that demand and it was quite the growth process." They quickly looked to other organizations that were similar to see what they had done and what they could learn. The learning involved trying new things and taking risks. "It was a bit of guess work and just trying things and it didn't always work out."

Restructuring from within was a change described by one participant. The organization essentially removed a layer of volunteer "management" and that caused a ripple throughout the nonprofit. This is an example of how adaptive change can be perceived as both good and bad. On the plus side, the restructuring removed a level of administration and allowed a more free-flowing communication channel. On the negative side, many volunteers took this as a personal affront and harboured ill feelings toward the organization for removing their "status."

Market Demand

The shift in market demand presents opportunities as well as challenges. One nonprofit capitalized on the prospect by gearing up to meet the demand.

> We saw that we could charge for doing it whether we were charging government, local government, homeowners, or developers. We saw there was a market demand so we thought if we could organize ourselves and offer some services and programs, people will call us to do work for them.

And the calls flooded in.

Increased demand for services often translates into an increased workload for staff and volunteers alike, and challenges an organization to ensure they have the operational and skill capacity to deal with the increase in popularity. A participant lamented that one

casualty of success is that for a time at least, long-term goals are sacrificed for short-term objectives. "People do what needs to be done for the short term, at the cost of long-term improvements." It may be hard to find the balance necessary to serve both needs because "Core services need a quick turnaround, but the future requires a longer view and approach." Another expressed frustration in saying,

> Currently many challenges are dealt with as one-off situations and the learning is not documented for future application. Instead of looking at what we could implement so it doesn't happen again, we use band-aids to fix the current situation. To date the strategy has been more reactive than proactive.

The sentiments expressed by participants show an awareness that there must be a better way of working, and the challenges of making time to create that better way.

Professional Relationships

Other changes in working relationships mentioned by participants were the increasing occurrence of short- or long-term partnerships, and structural changes to a decentralized system of satellite offices. For one nonprofit in this study, the practice of partnering with groups, agencies, and businesses across the country opened up a whole new method of connecting and raising awareness for their cause. It has even enabled them to broaden their fundraising initiatives and increase their revenues, investing in more activities for clients in a positive cycle of growth and effectiveness. "We are generating additional revenue which is allowing us to put in place more of our satellite offices throughout BC and then we can offer our programs in even more locations." For another, the planning and preparation of a system of satellite offices spurred a whole new way of communicating, leading, and working together that was a valuable learning experience for those involved. It also presented a new

set of logistical challenges as geographical considerations now became part of the operational equation.

One nonprofit identified the need for closer working relationships with others and the absence of partnerships to be a factor in changes that impact them.

> Even though formal connections are not in place, we are affected and impacted by decisions, policies, and practices in other related organizations. There is a need to be better connected and informed about what is happening in related facilities. We need to understand their changes and be connected with them so that better service can be provided to clients.

Another cited the challenges related to a closer working relationship. They found themselves having to implement more stringent reporting processes and be more aware of the level of professionalism expected. "We're under greater scrutiny, which has had an impact on the culture of the organization." They had to ensure they were still easily accessible to clients while respecting the more formal requirements of the partner.

External Impacts

Policies and regulations externally sourced have had a profound impact on one nonprofit in this study. Safety procedures around what can and cannot be done with a youth group and the training that is required to work with young people have become part of the regulations. There are bigger consequences to be aware of and legal implications to adhere and adapt to. The challenge was articulated as "It's having enough balance so there's enough structure that there's some consistency and safety and some adherence to the things that have to be adhered to while allowing the freedom to shape the programs in a way that makes sense for each group." Financial policies such as the implementation, and hence, discontinuation, of the HST (Harmonized Sales Tax) in British Columbia have had an impact on how

nonprofits collect, document, and submit tax-related reports to the government. One

participant said, "It adds a whole other level of paperwork and is one more thing a volunteer

has to do. And not only does it have to be done in a certain way but in a certain timeframe."

Political Implications and Research Results

Nonprofits have their eye on the political landscape too. A change in government can

mean a series of cascading changes in their work and sometimes threaten their very

existence. "Who will be the next minister? What are their interests and priorities? What do

we need to be thinking about if this happens?"

Another source of change affecting nonprofits can be the results of research projects

that announce new findings. This new knowledge can shape or influence what a nonprofit

does or how it operates.

Identity

The external and internal changes that one nonprofit experienced led to an exploration

of their mission statement. In light of the market, economic, and social changes that were

observed and discussed, this nonprofit broadened their mission and mandate to one that

describes their organization as a "social enterprise." They consider these changes to be part

of an organization's evolution and life cycle. "I think the biggest change was just starting off

with a bang and then going through the organizational growing pains, and I think that was

our biggest change." Another nonprofit followed a similar track and evaluated their mandate

and mission statement. They revised it after exploring "Where to focus to have the biggest

impact." Their internal change was triggered as a result of examining their focus and the

opportunities they could leverage.

This section described the nature of internal and external changes affecting nonprofit organizations. The next section includes the participants' views on adaptive capacity in the context of their organizations.

How the Participants View Adaptive Capacity

After the participants described the nature of the changes their organizations face, they were asked to express their view of adaptive capacity and what it meant for them and their colleagues. They shared their thoughts on what an organization that demonstrated adaptive capacity has in place and how it operates. Their comments are arranged in the following topic areas: (a) alignment with mission and purpose; (b) initiative; (c) empowerment and authority; (d) leadership; (e) watching the radar screen or environmental scanning; (f) attitude; (g) trust; (h) learning; (i) resources; (j) impediments; (k) communication and connection; (l) partnerships, connections, and relationships; (m) innovation; (n) opportunity; (o) impetus for change; (p) challenges for change agents; (q) human element and attitude; and (r) structure.

Alignment with Mission and Purpose

Many of the participants cited alignment with the organization's mission as the central factor in adaptability. "We are continually thinking about services that are related to our mission, or a spin-off of it that we can offer that can add value." It was described more fully as "The ability to make the changes that we need to make but retain essentially what the organization stands for." One maintains the mission is central to adaptive capacity and can offer an anchor when uncertainty arises saying, "A consistent philosophy is the underlying foundation of an organization." Another said they ask, "What are all of the things we can do with this [idea or information] and generate revenue and help us meet our mission?"

Adaptive nonprofit organizations watch for opportunities that fit their mission and can be leveraged into more opportunity. It's not always easy as one participant reflected, "We are always walking a fine balance of keeping our focus and doing too much." Some organizations use measures such as membership numbers or new initiatives launched as a benchmark to assess whether their adaptive actions are having the desired effect. The participants made a clear link between their organization's mission and initiatives that supported it.

Initiative

Taking a proactive approach was high on the list of adaptive qualities. Continually looking for opportunities, making proposals, and pitching ideas is a hallmark of an organization with adaptive capacity, according to participants. One nonprofit noted that there was an interest in government agencies to support an energy conservation approach. The nonprofit began developing programs on speculation and was then ready with complete packages when requests for proposals were put out. Their proactive work paid off and they were the successful bidders because they had heeded the signs and correctly read the clues. They "stay ahead of the curve and know what is going to be offered." Being proactive requires the courage to step out in front of the wave and initiate things. One participant urges, "Be a leader and take some of the initiative and be willing to talk and press on and try to make things happen." It could be described as being a sponsor of change, or a champion of change. This requires courage and stamina. One participant pointed out that there is often resistance to change because some staff or volunteers may be "heavily invested in the way things are" and will oppose new ideas or structure and "will give you a very hard time when you try and change things." In order to overcome resistance and obstacles, and foster an

adaptive culture, perseverance is required. "Resilience, durability, and amount of endurance as it is easy to get emotionally exhausted" in the face of building adaptive capacity. It can also be energizing. One participant related a very positive experience with a creative and motivated team who "have a lot of fun being adaptive" and said the team often says, "Let's be creative and think of what we can do [with this new concept]. Where can we go from here? Let's let our mind run away with the idea." Another echoed that sentiment saying "The creative aspect of it can be a lot of fun. Looking forward to coming to work [in this environment] is a positive thing and offers a challenge you can rise to." The participants demonstrated excitement and energy when talking about the proactive initiatives their organizations undertook, indicating the importance of fostering an environment where initiative is supported.

Empowerment and Autonomy

The level of autonomy granted staff and volunteers may be related to the degree an organization is considered adaptive. One participant described how she identified a gap and was able to address it without the red tape and limitations of the larger system. The example given reflects a connection to the client base. When relating the experience it was cased as "We listen to the community and respond to what people tell us needs to be provided. We've engaged the communities." Empowerment and autonomy are important to some of the participants. The freedom to create processes or programs as appropriate was valued. The absence of red tape and bureaucracy was appreciated.

Leadership

Participants included leadership as an aspect of adaptive capacity in an organization, but didn't place it at the top of the list. They offered their perspective on leadership as

existing because uncertainty exists and that leaders "need to be willing to take a position and then make decisions in the face of uncertainty." One person defined it quite succinctly as "It is really about helping groups of people find their way and manage through uncertainty." A quality of leadership was cited as "There has to be within any leader a bit of a desire and a bit of excitement about the idea of change and adapting to that." These comments indicate that when leadership models a positive attitude toward change, others may follow suit and be less resistant to change.

When participants spoke of the effect leadership has on a nonprofit organization's ability to build adaptive capacity they cited visionary leadership as one of the cornerstones. One participant said, "Leadership is really important. [You need] somebody who could articulate where things are going," and indicated that articulating and translating the vision to others is a required skill. The same participant compared effective leadership to an orchestra conductor saying, "How you lead in situations like this is really seeing all the notes at once. It's knowing when to push this button or pull that string or try to make this happen and try to see it as a whole – to see how the pieces work together." Another person found current literature on leadership lacking saying, "Almost all of the descriptions I have ever read about leadership are inadequate because there is something much deeper there." The participant suggested that leadership exists because uncertainty exists and people are uncomfortable with uncertainty. He adds that "If you need everything to be cut and dried I don't think you can be a leader at anything" and defines a leader's role as "helping groups of people find their way and manage through uncertainty." Transparency is an important part of communicating a level of comfort in situations that are not clear and the future is not clearly visible. Leaders also need to be able to communicate a positive outlook to change and adaptability. One

person described how that positive attitude can be conveyed as "When we talk about leadership in a genuine sense, there has to be within any leader a bit of a desire and a bit of excitement about the idea of change and adapting to that." In other words, model the behaviour and perspective you would like to see in others.

Watching the Radar Screen

Some of the study participants said that anticipating changes based on information was key to having advance knowledge and preparation time, and time to be proactive in using information to their advantage. Anticipating changes requires that a forward-looking stance be taken. One participant phrased it as "We try to be entrepreneurial and look ahead at the market and what we think will be there a year from now."

Information is needed in order to anticipate changes with any degree of accuracy. Participants shared the many ways they gather information and sweep their environment for data. They stay current in regulations that affect their business. One nonprofit stays in touch with sources that alert them to proposed building code changes, so that they can be thinking about how to modify their services accordingly and be ready when the regulations come into effect. They make time to talk to each other and share what they've heard. Environmental scans take many forms, including reading industry-related books, trade journals, newspapers, and magazines. Television news and documentaries and radio are monitored for stories or information that indicates a shift in public interest, a business opportunity, or a change in the expectations of the customers or clients. Conferences and networking events are attended, ears and eyes open for hints of things to come or sparks for new ideas. Often it was described by participants as an organic process, not systematic at all. One shared, "There is no recipe for it, I just try and gather as much information as I can." Another described it as

"Being on top of everything going on around us and keeping up with the times" or simply "Being willing to look around and pay attention and learn." Conversations with clients, customers, vendors, friends, or family might reveal a nugget that is worth exploring. Something so innocuous as "I was just thinking…." can launch an idea into the stratosphere. Once new information is on the table, it is compared to the organization's mission, and if deemed a good fit, then taken to the next step of feasibility evaluation. It is linked back to "How can this work for us? How will this impact us? How does this change affect us?" One participant described the information process as instinctive and said, "We 'put things together'. Sometimes it comes through a fairly organic process and it just gels. I sometimes feel there's a gut or intuitive process involved in that." The process involves sifting through what's on the grapevine and setting aside information that is not pertinent or relevant. "You've got to be able to pick up on what's out there and choose the ones that you have to pay attention to and I think that involves going with your gut a lot. You have to learn to trust that you know enough about your own business that you can sort through that quickly and move with it and know how to check it out." Participants indicated that they recognized the importance of having and effectively using a network, not just for building a contact list but for gathering information that could prove useful to their decisions.

Attitude

The attitude of staff and volunteers plays a large part in a nonprofit's ability to be adaptive. It was stated that "You have to be willing to expect that things are not going to be the same, even the next day." People who are uncomfortable with the notion that change is constant will have difficulty. Those that thrive on the possibilities that the unknown offers will fit right in. One nonprofit has considered change-tolerance in their hiring practices and

says, "Anyone we hire is not someone that needs rigid rules to follow. They [prospective employees] need to know that while it might be procedure today, tomorrow it could all change." In other words, there is the expectation that change is constant and the norm. Another participant seconds that perspective, saying,

> Constantly knowing and accepting that things change and that new things come up and that things that you may have been doing for a long time can fall out of favour so it's having the belief [about change] to start with and then being willing to work with that.

Managing expectations around stability or consistency is central to one nonprofit. When interviewing potential employees they are frank about not guaranteeing long-term work because they have to shift and shape with the flow and staffing levels need to be able to be flexible. When selecting staff, one participant endorses considering the individual's ability to thrive in a flexible workplace. The selection process was described as "Finding the right bones and promoting a culture that says it is OK to take risk, and jump right in there and foster a culture of adaptive capacity." One participant emphasized that "In the final analysis there is only the people and the relationships" that will determine whether an organization can be adaptive or not and "In order to adapt to change there needs to be people within your organization that are comfortable with the idea of change." One participant shared, "Our ability to adapt has to be driven by people who actually like the idea of change." The participants were clear that a positive attitude towards change was necessary to build adaptive capacity.

Trust

Honesty and transparency, beginning with the employment interview, foster a sense of trust within the organization. It was linked to adaptability by one participant remarking,

> A lot of the ability to move ahead depends on mutual trust and confidence in people. In the middle of change you are always putting yourself into other people's hands, you are dependent on others to do their bit and you have got to have a great degree of trust and confidence in them.

Another bluntly said, "Who you choose to be around you when you do these things [initiate change] makes a huge difference." It comes down to good will and "the people in the room." The participants spoke of trust in terms of those they work closely with.

Learning

Adaptive organizations often have to learn to be adaptive. They've experienced the nail-biting anxiety of riding the roller coaster of change. They've weathered the uncertainty and learned to cope and to accept that uncertainty is a reality of the times. One participant proudly said, "It [change] won't cripple us anymore. We weren't as adaptive as we have become, and that has come from experience." One participant said they learned from their mistakes, indicating that experiential learning as individuals, and collectively, is a factor in building adaptive capacity.

Learning from mistakes indicates that risks have been taken. A participant says, "It depends on people who have the ability to adapt, who have a pretty good tolerance for uncertainty and a good tolerance for trial and error and for risk tolerance and aren't adverse to being in the middle of change." This indicates that those individuals who demonstrate the attributes in the quote will have an easier time adapting to change and be more adept at fostering adaptive capacity. John Browne of British Petroleum, quoted in Ahmed, Lim, and Loh (2002, p. 157), sums up the heart of adaptive capacity saying, "Learning is at the heart of a company's ability to adapt to a rapidly changing environment." It goes beyond learning the business and learning how to work with people. It requires people to become adept at

learning how to learn, and unlearn, because information is changing faster than we can assimilate it. Constant and continuous learning is foundational to doing business now.

One participant stressed the value of experiential learning and learning in relationship to others. A diversity of perspectives can broaden the learning and open eyes to new ideas, and minds to new ways of thinking. Learning often begins with an individual, and the value of the learning is multiplied when that learning is shared in the organization. Sometimes the sharing can spark new ideas in others, leveraging the learning over and over.

Senge's (1990) definition of a learning organization seems to apply to the learning that has been described by the participants. He says that learning organizations are "organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together" (p. 3). The participants' comments reflect the value of learning with others and align with Senge's description of continuous expansion of experiential learning.

In short, learning is key and learning to think about information differently, learning to think quickly, will set adaptive organizations apart from others. It requires some risk taking for new ground is being charted. Some risks will result in failures, or an outcome that didn't occur as hoped. Adaptive organizations will learn from those failures and modify them, or suspend them and move on, taking the learning from that experience forward. It means being willing to try things and see how they turn out, without knowing the outcome beforehand.

Resources

Participants cited financial security as an element of adaptive capacity. The capacity to weather financially challenging times was mentioned. Funds to tide an organization through a shortfall or a transition time were considered important. Along with that, incorporating diversity in their interests, funding sources, and commodities ensures that "If the rug gets pulled out from under us without any warning we have really learned from the past." Having enough funds or ability to generate funds makes it easier to be adaptive.

Impediments

Participants also shared what, in their experience, hindered an organization's ability to develop adaptive capacity. Internal communications, coordination, and systems were mentioned and it was suggested that "If these kinds of systems and policies are in place and working well, it allows us to be proactive when something comes along. If they're not in place they can actually get in the way of developing adaptive capacity." Another spoke of the human element and attitude saying,

> I think there is a fear about if the organization will be able to handle some changes that come our way. I think we should be able to feel secure that we work within, and for, an organization that is able to rise to any challenge and be excited about it rather than fearful. We want to feel confidence.

Another participant cited a lack of interpersonal communications skills as an issue, especially where they have expanded an office from a small number of staff to a larger group. The change in dynamics caused a disruption in their culture that had to be resolved before they were able to begin to work on adaptive approaches. "We have a better chance of fulfilling our mandate and achieving our goals when we are functioning well in a healthy environment." One characterized it as "Getting your house in order is essential in order to

deal with change. Problems need to be dealt with when they're small before they escalate into big problems."

In summary, participants agreed that a nonprofit organization considered to have adaptive capacity will be one that has people who are "ready to roll with the punches" because "Without being adaptive we are not going to survive." One participant affirmed that "It's a form of survival and also of transformation. At its root I think it stems from people's combination of passion for what they're doing as well as their willingness to be uncomfortable and the willingness to try new things." When you're doing "work that matters" and feel you're making a difference, it may be easier to be flexible in the process.

Now we will look at the data that were assigned to codes during the analysis process and take a closer look at the codes that were the richest in number of comments and volume of comments. There are relationships among the codes, and I have grouped them accordingly as (a) communication and connection, (b) partnerships, connections, and relationships, (c) learning, (d) innovation, (e) human element and attitude, (f) leadership, and (g) structure.

Communication and Connection

Adaptive nonprofits are adept at connecting the dots. Stories the participants shared reflected a talent for connecting and combining ideas, resources, and people in arrangements that have the ability to produce new services or products, offer products or services in new ways, solve problems, or reach new audiences. One participant shared that they've proactively and deliberately established connections with other organizations that serve the same clients, albeit in different ways. They also took the initiative to introduce these contacts to each other, establishing a connected community that didn't exist previously. The comments gathered under this heading are in reference to (a) gathering information,

(b) boundary spanning or networking, (c) reading signals, (d) timing, (e) communication and technology, and (f) initiating change.

Gathering information.

The literature review focused on internal communications in nonprofit organizations. The participants did touch on that, but put more emphasis on communicating in terms of constantly gathering information and increasing awareness of "what is happening out there in the world." They spoke of actively mining their networks for early warning signals, news, and information that provides clues to trends and shifts in society's interests that will help the organization be aware of future opportunities and impacts, and consider options. Ellis and Shpielberg (2003) think that's important and suggest, "In order to adjust to the changing environment and to make appropriate strategic choices, organizations must become aware of on-going environmental changes, make sense of the environment, and draw the right lessons" (p. 1237). Albright (2004) agrees and adds that it's important for an organization to have a "keen understanding of external influences" (p. 39). She uses the term "environmental scanning" and defines it as "a method for identifying, collecting, and translating information about external influences and useful plans and decisions" (p. 40). She stresses the importance of being proactive and becoming aware of signals of shift as early as possible because by the time a trend or change has been published in reports and studies, the impacts will already be having an influence on the direction, and it may be too late to be proactive and get 'ahead of the curve'. The participants' comments align with Albright's perspective on environmental scanning. Participants agreed that networking and connecting is key to gathering information that is valuable in planning and decision-making towards adaptability.

Boundary spanning.

Subtle shifts in trends may first appear in conversations. While it is common to think of networks as a marketing tool, some participants saw it as a learning space and a place to spark ideas based on what were considered new and important topics. They viewed it as an arena where blurring the lines between sectors was possible. For example, inviting people from outside the organization to the annual general meeting for purposes of building connections and sharing information was given as an example of collaborating and spanning business connections. The opportunity to engage in communities by listening and learning was declared to be an advantage. Some metaphors the participants used were "ear to the ground," "having feelers out," "keeping ears and eyes open," "heads up." One participant said it has proven valuable to be aware of what gets shared and identify what information is important to note. A perceptive networker will include observations of what is happening, who is talking to who, what visual signals are evident, and other intangible pieces of information. Leaders of adaptive organizations recognize the value in supporting their staff and volunteers to leverage opportunities to network and glean information from the larger system. Fulmer (2000) goes so far as to say, "Top management should make sure that the organization's people are constantly studying the landscape to try to spot new developments that could significantly alter it" (p. 120). Pink (2006, p. 134) and Hatch (1997, p. 92) refer to this as boundary spanning. It refers to moving between organizational spheres, cross-pollinating ideas, and making connections within and external to one's working arena.

One organization encouraged staff to volunteer at other nonprofits on committees or in the field in order to build relationships and therefore open and nurture communication channels. They feel it is important enough to free staff time to volunteer elsewhere, firmly

signaling that communication and networking is a priority and a valuable means of gathering information. The more that people are connected to others and hear of new ideas, the greater the chance that innovative ideas will develop due to the wide and deep pool of knowledge they are exposed to.

Some of these connections through volunteering lead to new partnerships and partnering with businesses is considered a win/win relationship. Time spent determining fit and currency is worth the investment. They consider what is of value for each organization, how partnering should be approached, what training is needed, how their associations will be affected, and how they can share services such as printing or administrative costs.

Reading signals.

The clues to shifts in trends might at first seem indistinct, vague, or unclear, like a puzzle or mystery that reveals only a fraction of its whole. There is no formula for cracking the code to a hint of a trend. The first suggestion of a new way of thinking or working could come as a result of an unplanned conversation, or focused information-gathering method. The first alert may be informal, then shift to more deliberate information seeking to reveal the gold nugget that clearly points the way to an innovative idea or new connection.

Conversely, those in tune with the network are able to foretell what trends or practices might be on the decline so they do not invest resources in something that will be out of favour in the near future. They consider endings of one thing to be the beginning of others and do not cling to practices or products that will no longer be in demand.

Timing.

Even good ideas have their optimal time. Some ideas may appear too early to be implemented. Participants acknowledge that some ideas may not fit immediately but can be

cultivated for when the time is right. They also spoke of the information garnered from the network to be a good reminder to inject variety and diversity, whether it be in new services or products, new ways to offer services or products, or their Rolodex of contacts. One participant spoke of the value of being reminded not to be so focused that all their eggs were in one basket.

The participants cautioned that not all information needs to be acted on. Time to absorb information and compare ideas is essential to prevent premature decisions that could cause confusion, send an inconsistent message, and make the organization appear disorganized.

Communication and technology.

Participants recognize that to be most effective, communication must be tailored to fit the receiver whenever possible. While email may be preferred by some, other methods such as a telephone conversation, or an in-person meeting are the choice of others. Nonprofits that work with older Canadians who may not be as inclined to use email are cognizant of accommodating alternate ways of staying in touch with their stakeholders. This may mean using multiple approaches such as using social media, teleconference, webinars, print materials, telephone contact, in-person workshops, or whatever is appropriate. Participants emphasized that part of tailoring communication to select groups is learning how they became aware of the organization and using that media to connect with them "where they are comfortable."

Participants from nonprofits who considered their organizations to be adaptive said they use technology to seek out articles, news stories, studies, and reports relevant to their field as a means to "plug in" to what changes in practice or attitude are shifting and how that

could affect their market. They use technology to stay current on recently published reports

and articles, using social media as a tool to tap into what people are talking about and what is

trending. They regularly and frequently initiate or join discussions on forums, Facebook, and

Twitter as a means to access sources of information. One participant said in their

organization they "think professionally about how we are going to share our success stories

and get the message out there."

Adaptive nonprofits recognize the importance of an online presence. Even though a

portion of our population is not considered technically savvy, Canadians flock to their

computers every day. A 2009 Statistics Canada Report shows that in 2009 over 80% of

Canadians accessed the internet, 77% from their home computer (Statistics Canada, 2010).

Many of us are becoming more accustomed and inclined to seek out or check out

organizations online, so if others can't find the nonprofit's website, they stand to lose a

valuable opportunity to be included or invited to events that may provide opportunities to

make connections and gather information. One participant remarked that speaking

engagements at other groups, conferences, or gatherings is an effective way to connect,

communicate, and gain knowledge of current practices and new or evolving trends.

Within an organization internal communications need to flow up and down. One

participant described how new ideas were spread because people picked up on something

that was happening locally and started doing it too. Word spread through the internal

network.

Internal space, or processes might support information sharing. This may be the

primary purpose or it may be a spin-off or bonus purpose. One organization changed the

process of one transaction, and as an unintended consequence eliminated a meeting place

where connections were made, information was shared, and relationships were nurtured. One participant lamented the loss of such a space saying the opportunity for sharing information about activities and events was lost because of it. The cost of maintaining space for information sharing opportunities may be high, but so is the cost of not maintaining it.

An organization that actively solicits feedback and input from its members via email, surveys, and forums, both electronic and actual, creates an environment that is conducive to internal information sharing. Internally evaluating events and doing climate surveys are some ways to gather assessment information.

Technology will continue to play an important part in every organization, and the implications for its use in building adaptive capacity are vast. Communications, processes, and connectivity will be areas that will continue to evolve as new tools become available.

Initiating change.

Proactively initiating change means to introduce new ideas and processes and to champion different and more effective ways of doing things. The participants underscored that the key is to have an awareness of the importance of being on top of changes and not waiting until the shift occurs, then playing catch up. The pace of change means that this is crucial to staying relevant in the marketplace or the nonprofit arena. Those nonprofits who expect change are the ones that will be viable. In fact, they often ask themselves, "How do we make change? What is the best way to plant the seed of change? What filters are in place that might be blinding us to opportunities for change?" Participants spoke of initiating change as a process that considered the implications and consequences of change. They described evaluating the options and choosing the approach most likely to succeed and be aligned with the organization's mission.

Partnerships, Connections, and Relationships

Participants spoke of partnerships, connections, and relationships in the context of dynamics. Their comments are grouped under the subheadings (a) synergy, (b) information sharing, (c) clients as partners, and (d) skills and processes.

Synergy.

Synergy refers to the concept that the whole is greater than the sum of its parts (Covey, 1989, p. 262). In this context it means that although any one of the elements for adaptive capacity is important, their value is multiplied when combined with one or more of the other elements. A network presents the possibility of many connections and relationships. Some nonprofits are strategic in who they select to partner with on initiatives. They look for partners who have objectives that can be paired with their own, and provide benefits to multiple stakeholders. Some may be seeking public exposure, or an elevated profile. Others may need financial assistance, or a presence in different communities. Some may have unique challenges that can be addressed through a partnership. A network affords the potential to connect and collaborate with others to create win/win situations for all. Acar and Guo (2005) use Gray's definition of collaboration as "a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited visions of what is possible" (p. 342). They go on to specify that nonprofit collaboration refers to nonprofit organizations that choose to work together to address problems through sharing resources, effort, and practicing joint decision-making and feel a shared ownership of the outcome. They place collaboration on a spectrum ranging from information sharing at one end to mergers at the other end.

A partnership is often formed with another nonprofit, but participants also spoke of forming relationships with for-profit organizations, something that is relatively new in this arena. One participant described partnering with for-profit organizations as "almost anathema to the not-for-profit community."

Partnerships can lead to more business down the road. One participant shared that when a partnership is formed with another organization, "when they need to hire someone to do something they might come to us [because a relationship exists]" increasing business prospects as a result.

Many can do more effectively what one might struggle with. One participant shared, "We have been driving towards partnerships to get things done." Another participant reflected that they will actively continue to build partnerships, expand their reach, and expand their points of contact as a result of the positive experiences they had in partnering with other organizations.

The realization of the benefits of partnering was evident. In some cases, nonprofits wishing to grow and expand may have little choice about partnering. One participant put it bluntly: "We have no capacity ourselves to do the programs we have on a provincial basis, so we have to rely on partnerships." There may be other benefits, not yet measured. For instance, one partnership may be a factor in the decreased rate of crime due to increased awareness and better communication. Their work with local law enforcement agencies and the media allows for faster and broader dissemination of information when a crime is committed. For others, partnering affords a way to get things done or supports getting things done. One nonprofit trades on in-kind currency. For instance, they had some printing costs which were met by trading their work for printing services.

The participants have given good examples of how combining ideas can result in the creation of products, services, or new processes that benefit the organization and its clients, and build adaptive capacity.

Information sharing.

Information sharing refers to a more open attitude towards intellectual property. Increased information sharing can result in closer relations with others. The opportunity for learning new processes, sharing best practices, and building on others' successes amongst nonprofits exists. Some also use listserves for this purpose and in the process, strengthen relationships. Information can spread quickly through this medium. One participant said of a listserve, "The ones in headquarters have their ear to the ground as to what changes are in the wind federally" giving those who are plugged in some advance notice and time to interpret and prepare. One participant acknowledged that they were affected and impacted by decisions, policies, and practices in other related organizations. Partnerships and affiliations allowed them to obtain information sooner about what was happening in those organizations and be better prepared. When they serve the same clients, the clients are the ones who benefit the most. One participant put it succinctly: "We need to understand their [other organizations'] changes and be connected with them so that better service can be provided to clients." The responsibility flows both ways in a partnership. One participant said, "We need to always be aware of when there's something that needs to be shared with others."

Partnerships can also facilitate achievement towards organizational goals. Participants agreed that better communication and coordination between organizations,

personnel, and management allows more energy to be redirected towards the objectives and mandate, and by extension, to the clients they jointly serve.

Clients as partners.

Relationships are formed not only with other organizations, but with clients too. One participant considered clients to be an important partner, deserving of their ear. "We listen to the community and respond to what people tell us needs to be provided. We've engaged the communities we work in." Another said, "It's important to keep in contact with the people that we serve so that we hear from them what it is they need instead of making assumptions about what they need." Participants demonstrated an awareness of the value in including client feedback into their decisions.

Skills and processes.

Using a network, building relationships, and keeping pace with the rate of change means that members of nonprofit organizations may have to learn new skills in order to maintain their place in the market. Learning to use a network to obtain information and to raise an organization's profile is important. At one nonprofit organization in the study they ask, "What is the best way to evaluate the information obtained, and what information should be paid attention to?" Learning to use social media is a new challenge for many.

There are more operational things that also need to be learned. One participant found their organization had inadequate systems, policies, procedures, and HR processes and had to quickly learn and get up to speed on the requirements when a growth period occurred. They learned what infrastructure was needed and how to plan more effectively.

Learning amasses corporate knowledge and some organizations had to learn how to manage that, and how to build succession plans in order to retain the learning that was gained.

Innovation

"Innovation is all about connecting ideas, experiences, processes, and mindsets in a way that produces an electrifying experience," say Elisha Evans and Joe Saxton (2004, p. 3). As a result of keeping an ear to the ground, an eye on emerging trends, and tapping into the network of contacts developed, some nonprofits are connecting the dots to form short- or long-term partnerships with others to address needs or take advantage of the trends. They are creating electrifying experiences and introducing new products, services, and ways to deliver them. They are connecting these things in new ways, and forming relationships that support innovation.

Innovation implies that something new will be produced, and in order for a new product or service to arise, people have to be comfortable with change. This was mentioned a few times by the research participants. One person said,

> There needs to be people within your organization that are comfortable with the idea of change. If people are comfortable with change there is almost an excitement about that offers the challenge that you can rise to and say, where can we go from here, let's let our minds run away with the idea, and let them go free.

When an environment that fosters excitement about change exists, like-minded people will be attracted to it, and the synergy will surely generate new ideas and new ways of working, facilitating adaptive capacity.

Opportunity

One nonprofit organization in this study noted that energy consumption and environmental awareness were topics of interest to a wide audience. They also knew that "free" gifts were an effective way to raise awareness in the public eye, so they cleverly got the cooperation of a few contributors and were able to give away a device that reduced water consumption in homes. Each contributor bore only a fraction of the cost, yet each benefited fully from the public exposure the coalition was able to generate. The recipients of the free equipment also benefited and, on a larger scale, so did the environment. The participant summarized what they do as "Find a problem, provide a solution, and then just offer that solution for a good value that has a good environmental impact." This supports Evans and Saxton's (2004) view that people who are inclined to be innovators, see innovation as a means to solve problems and affect change (p. 3).

The nonprofits in this study looked for opportunities to get their services or products into new channels of delivery, build new products, or design new services. They sought out ways to capitalize on opportunities to innovate.

Innovation occurs when ideas connect, not just people. For example, one nonprofit looked at the shifting demographics and noted that Canada has an increasing aging population. It was also recognized that more housing was being built that caters to a senior lifestyle. The organization put the idea of facilities designed for budget-conscious seniors and the idea of energy savings together and looked at ways to minimize costs of energy consumption by approaching developers with information on energy-saving materials. They took it one step further and promoted the practice of reduced lighting for facilities that were open 24 hours a day.

Impetus for Change

Sometimes innovation is forced on an organization if it is to grow or be sustainable. As traditional sources of funding disappear, nonprofits have had to be creative in how they generate funds or how they find funding sources. One participant said, "Always being broke is a big driver." In-kind trades and tapping into the network are ways that some nonprofits have found to meet their costs.

One participant spoke of "planning to be innovative" and implied that it was taken for granted that creative ways of working would be required of the organization. Innovation was an expectation.

So what are the elements of innovation? How can an organization create an atmosphere that supports and nurtures innovation? Senge (2004) says that failure is an important component of innovation. He tells us, "Innovation is a process of failure – a continual learning process. You must experiment, assess, reflect on mission, identify results, and experiment more. Yet, we are trained to avoid failure, and thus real learning" (p. 4). He goes on to say, "Most people learn that to succeed, they must find correct answers and cover up incorrect ones. This undermines the inquiry skills essential to real innovation and leadership" (p. 4). When funding is tight nonprofits have to be creative and innovative to stay afloat. Further impetus might come from the ability to see the results of their work in terms of the benefits to clients or customers.

Challenges for Change Agents

There are some challenges to cultivating an innovative atmosphere. A study done in the UK found that often the culture is one of adhering to past practices and aversion to risk (Evans & Saxton, 2004). The participants in this study identified a focus on the past as an

obstacle to creative thinking and a damper on innovative ideas. Sometimes structure can kill an innovative attempt. Jeff Jarvis (2009) says, from his experience, "Bureaucracies, task forces, org charts, and formal processes do not breed innovation. They kill it" (p.p. 112, 113). He holds that innovation happens in spite of an organization's systems, processes, policies, and structures, not because of them. Stretched resources and shrinking funding sources focus the nonprofits' means on the day-to-day operations and some participants noted that there is little time or energy left for creating something new. Just covering the immediate needs consumes all available resources. Hall et al. (2003) found similar conclusions in their research. They report that a majority of organizations cited difficulty in planning for the future due to operational capacity shortfalls.

The participants identified keeping up with the expectations of the market, clients, and customers as a major challenge because they find themselves planning in and for uncertainty. They also spoke of the facilitating change in an atmosphere where long-time volunteers and board members prefer the status quo.

Human Element and Attitude

How the people involved view change makes a difference to the adaptive capacity in an organization or group. The participants spoke with feeling and energy about the behaviours and responses to change that they observed or experienced that fueled adaptive capacity in their organizations.

Creative attitude.

Participants spoke positively about the opportunity to imagine or invent something new, whether it be a product, service, or process. They shared examples of how new ideas were implemented and how existing ideas or services were connected or combined, to

modify an existing service or product, or create something entirely new. They viewed this as a very positive aspect of belonging to an organization that allows the freedom to be creative. "The creative aspect can be a lot of fun! Looking forward to coming to work [as a staff member or a volunteer] is a positive thing." A creative attitude is an asset when fostering an atmosphere that supports adaptive capacity.

Open minded.

Participants spoke with excitement about being open to what might be an opportunity. They said that within the bigger picture it was possible to see how new ideas and ways of working were possible. "Our ability to adapt has to be driven by people who actually like the idea of change." Some said their organization thrived on constantly whetting their "appetite to explore new ideas and new challenges." There's more than one way to go about things and the ideas that are flowing may allow new innovations and better ways of working to develop and spark a continuous flow of new possibilities and opportunities.

Commitment, resilience.

Following the freedom to exercise creativity, the ability to see ideas through is important. One participant said that "Having the endurance to launch an idea and stick with it" was important. Consistency in messaging and behaviour can contribute to the level of commitment others in the organization are willing to offer. Consistency and alignment with the organization's overall mission are important to prevent "mission drift" and focus energy and resources of what is needed to provide the freedom to create within the scope of the mission. Participants talked about "Being able to ride it out through the bumps," confident that the outcomes will be positive.

Passion and motivation.

Participants who expressed passion for their work said that it was important to find the role or niche that is a good fit for their skills. If the organization has been able to recruit and place people in roles that are aligned with their passion and values, then the forward energy can propel ideas and foster a positive attitude toward change. Participants who are doing something they love, say "Things we are doing are good, they are fun and they are exciting and we get into them and good stuff happens so people stick with it." If leaders recognize the value in selecting people with a passion for the organization's mission they will be able to tap into that passion and use the passion wisely. One person expressed the importance of this dynamic as "The influence of dynamic individuals can actually change the landscape in any organization." Others expressed their thoughts on passion and alignment and their personal motivation for being involved with organizations who share the same values as "You're doing something worthwhile." "I want to make a difference." "Keeping people happy in the organization." Participants indicated they work more efficiently and derive joy in their work when they are motivated and passionate about what they are doing.

Positive energy, good will.

Participants talked about accepting that change will happen, viewing it as a positive thing, and having faith that decisions are made that are good for the organization. "Accept that change happens and there will be things that are coming at you." "Accept that change is going to happen. Just put a smile on your face and accept it. Work with it. Find a way to make it work for you." One person spoke about trusting the process and giving change a chance, rather than blocking the change saying, "[There needs to be a] Willingness to try new things without all the answers and without the 100 page market research report. Be willing

to take risks." "It comes down to the people. If you are willing to roll up your sleeves and come on to it together and be willing to take risks even if you don't have all the answers beforehand then you have a chance." These comments indicate a confidence in the future and an attitude that change is always potentially positive.

Gratitude.

Gratitude may feed energy and good will. Expressing appreciation for the work a person does, what he or she contributes to the adaptive organization, and acknowledging his or her efforts is a demonstration of recognition of the individual's efforts and what s/he brings to the organization as an individual. "You feel like you're valued as yourself," said one participant when talking about being thanked and recognized. Participants identified this as an important aspect of interpersonal relationships and said, "Being able to thank people. As a volunteer organization that's a really important thing."

Interpersonal relationships.

Participants acknowledged the importance of the relationships of the people in the organizations. If the relationships are not solid, if trust, honesty, integrity, and transparency are not felt and demonstrated, any proposed change will be met with cynicism or resistance. It will be very difficult to cultivate adaptive capacity without good interpersonal relationships. One participant stressed, "It all comes down to the people in the room, that is the only dynamic we are really interested in." Another affirms, "In the final analysis there is only people and the relationships. In order to adapt to change there needs to be people within your organization that are comfortable with the idea of change." "It's all about people and relationships – that is all there is." "Maintaining those human connections." Participants identified the ability to take risks as a result of "Having mutual trust and confidence in

people. You are always putting yourself in other people's hands, you are depending on others to do their bit." It was summed up as "Who you choose to be around you makes a huge difference." These comments tell us that even though relationships are something we cannot see or measure, they are vitally important in the workplace and are critical to fostering an environment that supports adaptive capacity.

Autonomy.

Many of us like to be self-directed and have some control over the way we go about our work. People in nonprofit organizations who have the freedom to make choices about their work, within the parameters of organizational reasonableness, are more willing to accept change. Says one participant, "When staff have the ability to do their own job in their own way then we're able to adapt to change." Ideas can be implemented that have the capacity to spread to the rest of the organization, according to one participant who said, "[It's] a kind of grassroots thing that allows change at the local level." People who are open to change often have some control over how they approach their role and some creative leeway in what they do. Covey (1989) calls this the Circle of Influence and says that proactive people identify and "work on things they can do something about" (p. 83). It stands to reason that people who have a proactive attitude and have been granted sufficient autonomy in their role will go about designing practices that align with an adaptive attitude.

Structure

The importance of structure in regards to adaptive capacity is somewhat dependent on the size of the organization. One participant said that in a small organization, structure is not as important as the dynamics among the staff and/or volunteers. In a larger organization structure becomes more significant. In an organization that spans the nation and has multiple

branches, each branch may be affected by changes in another, or all branches may be impacted by the national or central location. In one participant's opinion, "The larger organizations get the more bureaucratic they become and the less desire there is to embrace change because they are comfortable with the way things are." "People may feel a greater degree of ownership and may be a little more territorial in larger organizations, which can be a source of resistance in the face of adaptability." In other words, "The size of the organization can facilitate or hinder adaptation."

Earlier in this chapter I referred to Jeff Jarvis' (2009) view of structure's ability to sap the energy out of an innovative proposal. The participants echoed that sentiment and placed the importance on the synergy of the people and the culture of an organization in creating an innovative atmosphere. One participant said, "Structure is much less important than personalities." Another reflected on a nonprofit's ability to be flexible in the face of change by saying, "The size of the organization affects its ability to be flexible…or not…and make timely decisions…or not." Fulmer (2000) observes that if structure is based on a complex hierarchy it can be an onerous process to push an idea through, and there are many more points along the line where the idea can be vetoed (p. 184). He notes that as organizations have downsized, the span of control of managers has increased, which could have a positive effect on innovation by allowing decisions to be made "closer to the ground," increasing autonomy. One person offered advice on walking the line between a structure that facilitates process and one that impedes with "Find the optimum balance between structure and flexibility. Be open to new ideas but retain the common promise."

The participants were very frank in their comments on the elements of adaptive capacity. This chapter examined the comments by interview question and by the most used

codes following a grounded theory approach. The next chapter will look at the researcher's interpretation of the data, implications of the findings for nonprofit organizations, and what the results mean for nonprofits that have demonstrated evidence of adaptive capacity, and for those who aspire to improved adaptability.

Figure 5 shows the elements that the participants named as elements of adaptive capacity and how they can be grouped in relationship to each other.
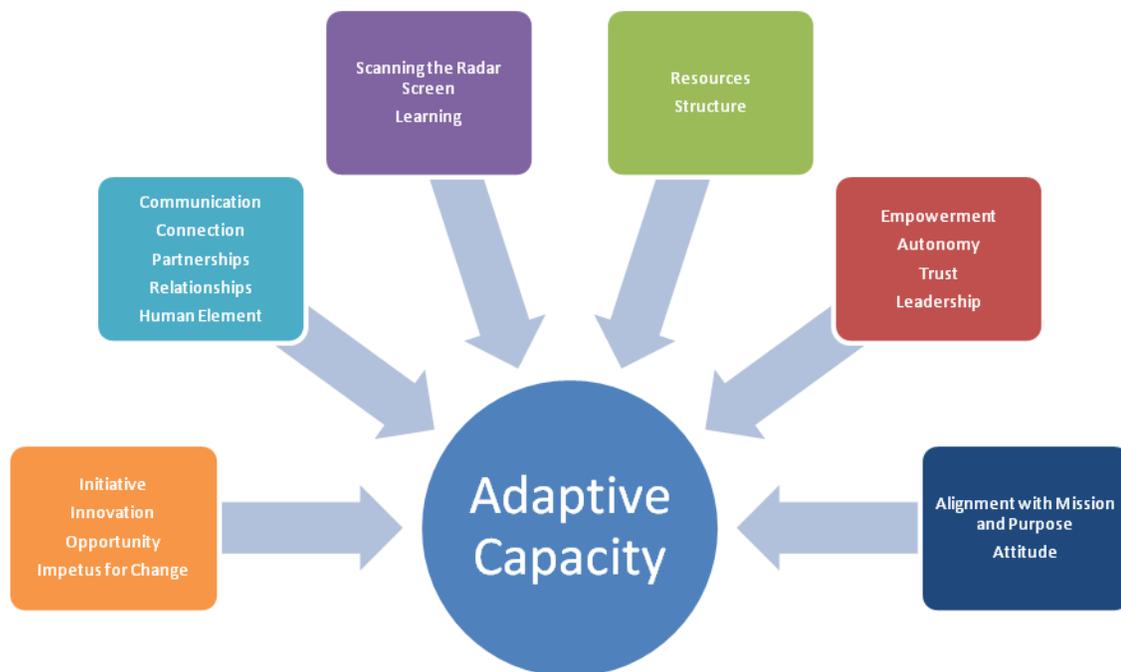
Figure 5. How the participants view adaptive capacity.

CHAPTER FIVE: INTERPRETATION OF THE FINDINGS

Introduction

This chapter will include a brief review of the purpose of the study, a summary of the findings based on the participants' responses to the research questions, and conclusions based on the findings. It will also look at the implications of this research for nonprofit organizations and how they can benefit from what has been learned. Opportunities for future research will also be investigated.

The participants' responses and insights have been grouped in different arrangements deliberately to allow us to look at the data in different sets. This allows the data to be examined from different angles and more fully draw conclusions on what adaptive capacity means to the participants interviewed, and what can be learned from their remarks and observations.

Summary of the Study

The purpose of this research was to contribute to, and enrich, our current understanding and appreciation of adaptability in nonprofit organizations and add to the existing knowledge on this topic.

The grounded theory process was chosen for this research because it was consistent with my belief that the participants possessed the information that would answer the research question and it provided a structured way to analyze the data and discover the knowledge held by the participants.

Participants from a cross-section of nonprofit groups in the Greater Victoria area were invited to participate, and 13 were interviewed. The intention was not to create a composite

picture of any single organization; rather, it was to provide an overview of nonprofit organizations from a collection of perspectives. Participants included board members, staff, and volunteers.

The research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" was addressed through a qualitative methodology and sought to determine how stakeholders of nonprofit organizations view their organizations' capacities to proactively adapt to changing environments.

Semi-structured interviews were conducted with the 13 participants, and the questions used to guide the interviews were

1. What kind of changes do you see in the work you do with your nonprofit?

2. What internal changes are affecting your nonprofit organization?

3. What external changes are affecting your nonprofit organization?

4. How do you view adaptability in your nonprofit organization?

5. Can you share a story about how your nonprofit organization adapts to change?

6. What do you think your nonprofit organization needs to continue to do?

7. What do you think your nonprofit needs to change?

8. In your view, how should a nonprofit address these changes?

The study regarded the operational definition of adaptive capacity as a dynamic, organic approach to proactively preparing for change and anticipating that unpredictable forces will shape the organization's surroundings.

Five pilot study participants from two nonprofit organizations in Greater Victoria, British Columbia shared their perspectives on adaptive capacity.

The themes that emerged from the research are slightly different than the themes

indicated in the literature review for this dissertation. The themes that emerged in the literature review are (a) entrepreneurial mindset, (b) future orientation, (c) ideas, creativity, and innovation, (d) effective and healthy systems, (e) communication, (f) learning organization, and (g) leadership. While these are indicators of adaptive capacity, the participants in this study saw a slightly different set of attributes, and assigned a different level of importance to them. The participants saw the key elements of adaptive capacity as (a) focus on mission and core purpose, (b) having the right people in the right roles, (c) leadership at all levels, (d) awareness of the external and internal environments, (e) awareness of societal shifts and expectations, (f) information gathering, (g) contacts, partners, and relationships, (h) connecting the dots, and (i) continuous learning.

The differences between the literature review and the findings are worthy of some examination. Some topics bear some similarity, although within the categories, it is evident that the participants view the dimensions through a different lens than the authors in the literature review did. I have attempted to group them into themes, but it is important to recognize that there are not clear boundaries separating the themes or points made by the participants. There is considerable overlap amongst them and they do not align completely. The threads that connect these themes are both the warp and the weft of the fabric of adaptive capacity, interconnecting the concepts and rendering it impossible to view them in isolation. The section headings that follow are a loose arrangement of the topics in the literature review and those that emerged as a result of the research interviews. The following seven section headings (learning; leadership; future orientation; ideas, creativity, innovation; communication; effective and healthy systems; entrepreneurial mindset) are the areas that the literature and the participants both identified as elements of adaptive capacity, although their

views on the topic do not always align completely.

Learning

The literature that was reviewed in Chapter 2 (Hargrove, 1995; Heifetz, Grashow, & Linsky, 2009; Perkins et al., 2007) indicates a focus on organizational learning from sources external and internal to the organization. The authors talked about the importance of learning that influences a change in beliefs, attitudes, and behaviours, as well as the creation and accumulation of new knowledge that can be added to the "corporate knowledge bank." The participants viewed learning on a more personal level. They spoke of interpersonal learning and relationships. They talked about the pragmatic aspects of learning on an individual level such as learning the best approach to gathering information, learning to read the landscape and interpret the signs, learning from others' wisdom and experience, learning to use technology effectively, learning to apply the learning and leverage it, and learning to apply critical thinking skills in the workplace. What they are actually talking about is learning to adapt. They are providing living examples of triple-loop learning (Hargrove, 1995) or continually asking, "Are we doing the right things in the right way?" Operational learning was described including learning about human resource systems, hiring practices, and assessing infrastructure requirements. Most importantly, the ability to learn from the experience and take that learning forward to support adaptability and innovation was dubbed critical.

Leadership

A point made in the literature review about leadership is that it can be either a positive influence on adaptive capacity, or it can be a limiting factor, depending on the individuals involved, and their leadership style. The authors were not aligned in their

opinions on leadership's relation to organizational culture, but did agree that an effective leader will demonstrate an awareness of diversity and situational uniqueness and have the skills to facilitate adaptability. One of the participants described an effective leader as one who can tolerate uncertainty and support those around him or her to be comfortable and flourish in changing conditions. The participants put more store in a leader's ability to translate the vision into something they could grasp. They concurred that a vision is important, but if it cannot be communicated in a way that staff and volunteers can take it to heart and make it their own, the vision will only be a set of words on the wall. The research participants also recognized that leadership requires the ability to see the bigger picture and the connection points in the system. It is necessary to view the organization and partners from a perspective that incorporates the relationships and interdependencies of the whole.

Future Orientation

According to the literature review**,** in order for a vision to be articulated by a leader, it must be clearly tied to a purpose and objectives that are worth pursuing. The organization's future, although not entirely predictable, must be envisioned and described clearly enough to engage members' hearts, yet open and flexible enough to accommodate changing environments.

The participants viewed future orientation to be more about the balance or compromise between long-term objectives and short-term priorities. They acknowledged that both have to be tended to, both run on parallel tracks, but finding the right balance of keeping up with day-to-day pressures and workload while carving out time to think strategically, realistically, and creatively was a challenge that was at times not able to be met.

Ideas, Creativity, and Innovation

The literature review demonstrated how important innovation and creativity are considered to be. Nonprofits that can go beyond accepting and acting on the occasional new practice or process and fully embrace the creative talents of the stakeholders will fare much better than those who do not look upon new ways of working in a favourable light. Participants seemed genuinely energized by the prospect of learning and incorporating new ideas into their work. They appreciated leaders who championed new ideas and were agreeable to testing new services or products. They were grateful for the autonomy granted them to invent and create.

Communication

It would be hard to consider a study on adaptive capacity without talking about communication. The literature review focused on using a shared language to minimize misunderstanding and provide clarity in messaging. The authors also discussed the importance of access to information throughout the organization. It is notable that the literature review looked at internal communications, while the research participants used a wider angle lens and took in a larger perspective. They placed a great deal of importance on communications that reach outside their organization and include partners, other organizations, government contacts, and even media sources. They also zoomed in and viewed communication in terms of variety of methods for reaching individuals, also noting the importance of interpersonal communications with colleagues and clients.

The next set of topics in the literature review does not correlate directly to the participants' list of important elements of adaptive capacity, although as stated earlier, the differences are indistinct. There are many possible ways to compare what was learned in the

literature review to what the participants said. As indicated earlier I have chosen to work from the structure identified in the literature review.

Effective and Healthy Systems

The literature review describes systems as internal channels through which information and communication flows, and connections are established. They are a complex web of interdependencies and relationships. The study participants did not highlight the system directly as something they saw closely associated with adaptive capacity, but they did talk extensively about partnerships, connections, and relationships. When viewing the data from this perspective, it would seem that those people who were interviewed considered the system to include anyone or anything that came into contact with the nonprofit organization, including partners, vendors, and customers. Their remarks indicate a broader interpretation of system dynamics and make room for short-term or temporary connections or system points.

Entrepreneurial Mindset

Risk tolerance, treating experiences as learning opportunities, and a positive attitude toward experimentation are traits identified by the authors cited in the literature review. They also highlighted an aptitude for forward thinking and identifying opportunities as characteristics of entrepreneurialism. Perseverance and resilience were also mentioned in the literature review, and the research participants agreed they are important personal resources for those with an entrepreneurial bent. While the participants did not name this theme separately, the qualities were mentioned throughout the interviews in conjunction with other capabilities. The closest alignment is with the participant theme of innovation. Participants view this as connecting resources, people, and ideas in combinations that resulted in new

partnerships, processes, services, products, or improvements to existing ones. The previous chapter has revealed how the participants' theme of innovation aligns with the literature review theme "Ideas, Creativity, and Innovation" providing a good example of how variable the combinations of themes can be.

The participants also spoke of the ability to seize opportunity and achieve a comfort level with risk-taking. They described it as recognizing a circumstance, situation, time, or place that offered an opportunity for the organization to grow, develop, or advance.

What the Participants Added

The themes examined up to this point were identified in the literature review and by the research participants, and were organized according to the structure of the literature review. The participants included some points that are not captured in the literature review and these are summarized here as (a) core purpose; (b) the human element; (c) partnerships, relationships, and connections; and (d) structure.

Core Purpose

The participants mentioned staying true to the core purpose of the nonprofit as an important guide when considering what changes or adaptations to make. They talked about the main purpose, including vision, mission, and mandate, and cited these as crucial to good decision-making. They acknowledged that they sometimes have to decline tempting offers or opportunities, and reconciled that with the knowledge that they were not succumbing to mission drift. Weighing the vision and mandate against the potential gains and consequences of specific opportunities gives decision-makers a clear, credible, and defensible basis for making choices about how to spend time, energy, and resources.

The Human Element

The human element refers to aspects of emotional intelligence that participants said played a vital part in adaptive capacity. Although largely affiliated with leadership, the human aspect permeates every corner of an organization, and every individual. They are grouped under this heading but cover a wide range of personal and interpersonal qualities and characteristics including (a) creative attitude, (b) open minded attitude, (c) commitment and resilience, (d) passion and motivation, (e) positive energy and good will, (f) gratitude, and (g) the ability to grant or manage autonomy. The participants showed passion and energy in their voices when they spoke of these qualities, indicating that they considered them important and interesting. These qualities may reflect a culture, and indicate a healthy working environment that supports adaptive capacity. If they are absent, the behaviours and attitudes toward change may not be conducive to adaptability, and further research could be done to explore that.

Partnerships, Relationships, and Connections

These aspects may be related to the literature review theme of "Effective and Healthy Systems," however as stated earlier, the research participants viewed them with enough distinction to justify their separation. They emphasized the synergy produced as a result of human connections and paid more attention to the dynamics of the relationships than the strategic process of systems.

Structure

Lastly, the participants included structure in their comments, and spoke of the way an organization is organized and how that contributes to or hinders adaptive capacity. They

thought that a smaller organization is naturally more adaptable and able to shift without the encumbrance of policy and procedural limitations. Some of the participants belonged to nonprofits that operate regionally or nationally and their comments reflected the delays in cutting red tape in order to adapt.

The next section takes a closer look at the themes the participants identified and captures some of their supporting remarks.

Findings, Themes, and Conclusions

We learn more by looking for the answer to a question and not finding it than we do from learning the answer itself. Lloyd Alexander, (1964, p. 9)

The research question "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" generated some thoughtful and insightful comments from the research participants, upon which these conclusions are founded. The interview questions shaped the conversations with participants, and their comments are distilled into the topics in this section.

The participants' comments in regards to what they see as foundational to adaptive capacity are tightly connected to the interpretation of how adaptive capacity is developed and exhibited by nonprofits in the Greater Victoria area at this time. In the next sections participants describe the nature of changes they are experiencing or observing in their organizations, and how they view adaptability in light of those changes.

Nature of Changes

The participants identified the nature of changes that affect their operations as falling into the following broad categories. Technology-driven change, demographic change,

societal shifts, economic factors, regulatory requirements, and political environments. The

changes originate internally, and from outside the nonprofit.

Technology changes rapidly bringing new products with enhanced features to our

desks faster than they can be assimilated. Participants spoke of having to develop new

processes and use new services to accommodate the flow of information they face daily. One

nonprofit found the volume of email traffic so great, and the proliferation of documents so

overwhelming they now subscribe to shared server space. This affords them confidence that

they are all working from the save version of documents without overwhelming email

inboxes.

Demographic changes have given nonprofit members cause to assess their operations.

As the baby boomers age, their needs and preferences are changing, and

nonprofits that cater to seniors are experiencing a dramatic growth in demand for their

services. Other nonprofits are facing a shortage of volunteers and are wondering how to

attract the younger generations to their ranks.

Societal shifts include an increased awareness of environmental issues and a demand

for products and services that align with changing priorities. A nonprofit that works with

youth remarked on how society's views on gender equality have influenced their

programming and opportunities available to youth.

How the Participants View Adaptability

The comments regarding adaptability were fairly consistent throughout the

interviews. The importance of retaining focus on the core purpose or mission of the

organization was deemed very important to adaptability. Participants told of using the

mission as a standard to evaluate whether a new idea was suitable for their organization. If they couldn't directly link it to their purpose and values, it was not pursued.

The right people in roles that afforded some autonomy was cited as a key factor in whether the research participants felt that new ideas could be implemented and supported. Some nonprofits now assess potential employees on the basis of their ability to feel comfortable with change and a shifting canvas of work. Attitude trumps skills in some cases and the degree to which a staff member or volunteer is keen to take a proactive approach matters in adaptive organizations.

The participants mentioned leadership and they were specific in their remarks about the qualities of leadership that nurture adaptive capacity. They favoured a leader who is transparent and honest about his or her feelings about change. They valued a leader who can support others through the doubts, fears, and uncertainties of change, while encouraging calculated risk taking. A leader who values relationships and respects the skills and knowledge that others contribute is one who has a better chance of leading in an adaptive organization. The type of leader described here is one with high levels of emotional intelligence (Goleman, 1998) and an ability to get the best out of those around him or her, and in turn, mentor and develop future leaders, increasing the odds of sustainable adaptability. Goleman defines emotional intelligence as the inner rudder that determines how well we handle ourselves and other people. He describes the elements of emotional intelligence as self-awareness, self-regulation, motivation, empathy, and social skills (p. 318). Trust, honesty, respect, transparency, credibility, and dependability were all mentioned by participants as essential leadership traits, for a nonprofit that confidently adapts to change

demonstrates adaptive capacity. These attributes are equally important in designated leaders and others who find themselves in unofficial leadership roles.

Being cognizant of the ever-changing environment is the foundation of anticipating change. Expecting that things will change on an ongoing basis is a matter of fact in these times, and those that expect things will remain constant will have a greater challenge. In the book *Who Moved My Cheese* (Johnson, 1998), the author advises anticipating that things will change and the sooner new directions to "new cheese" are found, the sooner the fruits of the new way of working and being will be reaped. Walter Gretzky, father of Canadian hockey player Wayne Gretzky says, "Skate to where the puck is going, not to where it is" (Business Reading, 2000). Like great hockey players, those who anticipate change are heading in new directions.

Part of anticipating change is the ability to be aware of changing expectations of the market, clients, staff, and the landscape upon which the nonprofit lives. From being honest and upfront about long-term opportunities when hiring, to accommodating client requirements and requests, managing expectations is an important piece of the adaptive capacity picture.

Staying current with information and establishing a diverse list of contacts was an aspect that participants paid much heed to. They emphasized the importance of staying aware of trends, new ideas, new products, and new connections to sustaining a viable operation. They use a variety of methods to obtain information and meet others and feel that this activity is worthy of time, expense, and energy and the benefits far outweigh any costs. Assessing new ideas or proposals against the backdrop of their mission assures that the nonprofit is reaping full rewards for the investment in networking and environmental

scanning. They also place value on serendipitous conversations. Casual mention of an idea can grow into a successful venture. Indeed it is interesting to contemplate how many inventions or improvements have been launched from a passing comment such as "I wonder if we could....."

Connecting the dots in new ways generates not only new relationships between people or ideas, it can generate excitement and novelty. Nonprofits that show adaptive capacity tend to be adventurous in how they combine groups and resources to produce entirely new ways of doing things. They don't restrict themselves to predictable pairings. They see possibilities through new eyes and the results can be creative and innovative.

According to the participants, learning is essential for building adaptive capacity. The experiential learning is deemed priceless. An organization that demonstrates adaptive capacity will support individual learning, organizational learning, and will take risks, then reap the learning from that experience. It will also be adept at unlearning and discarding what is outdated or no longer effective.

Adaptive Capacity Indicators as Expressed by Participants

The research participants reflected on adaptive capacity and noted some things that they think is important to either continue to do or to incorporate into their approach. They considered (a) reputation for providing value, (b) financial management, (c) clear identity and vision, (d) partnerships and collaboration, (e) continuous learning, (f) new mindsets, (g) stretch goals, (h) consistency, (i) the people, and (j) the grassroots to be important elements in adaptive capacity.

Reputation for Providing Value

Whatever the business, if clients, customers, or internal stakeholders do not have confidence in the nonprofit's ability to offer quality services or products for good value they won't be able to compete in the marketplace. A reputation for quality is essential for future business opportunities and partnerships. One participant said, "We need to continue to establish ourselves as experts in this field." Another added that credibility in decisions was vital and said, "Have the kind of formal data that can back up what you're doing and why you're doing it." Value is a commodity that participants deemed as important to the organization and to them as individuals in the organization.

Financial Management

Quality services and products may be the result of solid business planning. Participants flagged this as fundamental for adaptive capacity. Sound financial management allows them to "build surpluses so that we can ride through the rough time." One mentioned that costing their services correctly meant that they could invest time and energy in services they support but might not be big revenue generators.

One participant spoke of taking calculated risks financially and building a fund so that risks could be more safely taken. This fund allowed the nonprofit to enter into some ventures that had a longer payback timeline. Another participant recommends purposefully funding innovation and specifically including innovation in the budget. Market research and learning who the competitors are is part of a solid assessment of risk. Nonprofits and corporations alike need to be fully informed of the conditions upon which they appraise the feasibility and risk factors of new endeavours. Opportunities abound and nonprofits that demonstrate adaptive capacity are able to discern the opportunities that give them an

advantage, prioritize them, and "be present for those opportunities." Timing is key in taking risks. One participant stressed patience and readiness as essential and said, "It involves being patient, not forcing these things. You have to be patient, patient, patient and then you have to jump."

Once a risk has been regarded as acceptable and a strategy is in place to test it, one participant recommends using pilot projects and evaluations before launching on a broader scale.

Clear Identity and Vision

Participants agreed that being clear on identity, mission, vision, and mandate were essential to adaptive capacity. It allows them to make objective decisions on which opportunities to pursue and which to turn down. They said that clarity on identity and mandate provided them solid guidelines to make decisions, sometimes declining contracts that would generate revenue, but weren't a good fit for the organization. They felt confident they could avoid "mission drift" by holding the mission and the opportunity up to the light and determining how good a match they were, although "Saying no to partners has ramifications." "There are always new opportunities that come, but sometimes they may take you off course from what it is you really need to accomplish so careful choices have to be made."

One participant advised refining the focus over time to ensure that it is not too wide and potentially overwhelming. Too many programs demonstrates diversity but can also stretch the capacity of the organization to the breaking point. This exercise can also serve to prioritize work so that what is most important gets the most attention.

Participants said a nonprofit can feel bombarded by possibilities and must be vigilant about remaining true to their course and maintaining their clarity regarding identity. The danger is real. One participant described it as,

> Everybody wants to work cooperatively and support good ideas but you can get going in so many different directions that nothing gets done really well and you can get blown off course pretty quick. Staff and volunteer time and energy can be sapped by jumping in different directions.

Using the mission and mandate as a compass can assist a nonprofit in staying on course. Regularly asking "Why are we here? Who are we here to serve?" will provide the clarity of purpose when the path seems littered with opportunities.

Knowing who you are is only half the battle. An adaptable nonprofit also needs a unifying vision. The role of a board is to provide the vision and direction so the staff and volunteers can be certain of what they are working toward. A nonprofit without that foresight will not have the confidence to make sound decisions for the future and will be caught instead dealing with immediate issues that are reactive rather than proactive, not able to allocate resources to long term objectives. One participant lamented, "If the board can't articulate or communicate a vision it is very hard for the others in the organization to make that vision come true."

The vision is useful for helping people to place themselves in the bigger picture. Engaging people and helping them to be excited about the future is easier to do if they can see how their work contributes to the objectives. It was described by one participant as bridging or connecting the vision, the roles, and the tasks together to understand how each task contributes to the vision.

The bigger picture is an important leadership skill in the opinion of one of the participants, comparing it to an orchestra conductor as

> Seeing all the notes at once all the time. Just knowing when to push this button or pull that string or try to make this happen and try and to see it as a whole, to see how the pieces work together. *You have to hear the whole and hear the parts at the same time.*

Participants indicated that a clear identity, mission, vision, and mandate, and placing those elements in the bigger picture, to align with the organization's purpose is essential to adaptive capacity.

Partnerships and Collaboration

Participants did not limit their partnerships, or potential partnerships to other nonprofits. They cited the value of establishing relationships with for-profit corporations too, and even competing in the private sector market. The word-of-mouth publicity and opportunity for new connections was deemed an important benefit to stepping out of the confines of the nonprofit network. One participant elaborates on the importance of building relationships as "expanding our reach and expanding our points of contact in the community." Being flexible to modifying existing programs and services allows one nonprofit to reach different markets and set different price-points, demonstrating adaptability in meeting market requests and expectations.

One participant pointed out that partnerships are often thought of as beneficial to the mutual partners but the real benefit is to the clients or customers they serve. The connections made as partners afford a richer pool for the clients to draw on.

There may be some unintended consequences of entering into partnerships. One participant cited the need to negotiate and balance imposed agendas and internal needs. It

entails some give and take, and partnerships should be entered into with full knowledge of what the relationship requires.

Continuous Learning

There is a continual flow of new information, new data, and new sources available to nonprofit organizations. The participants stressed the importance of being aware of the best sources for their business, evaluating the flood of information for that which is credible and relevant to their field, and acting on what is appropriate and feasible. A participant advised, "Find out what the issues are, find out the areas you might be interested in, find out things that other organizations are struggling with, find out and learn about other organizations that are collapsing." Constantly listen, make meaning from what you hear, and learn. One participant succinctly said, "If you're not plugged in, you won't hear it."

Learning occurs when glancing back as well as casting our gaze forward. One participant reminds,

> Know why you're changing something. Often people make changes without looking at the past. You need to keep aware of why things are the way they are. History is important in that way so that you don't repeat mistakes you might have made.

The learning curve is steep and adaptive nonprofits invest in skill development of their staff and volunteers to stay current in today's world. Increasing the level of expertise to increase the capacity to do things internally, such as respond to credible reports or studies with some comments on how the new data will relate to the organization or impact those it serves is a valuable skill. Learning in informal ways was considered equally valuable. One nonprofit encourages staff to volunteer for other nonprofits, strengthening ties, and developing individual skills at no cost other than their time.

New learning is crucial, but what of corporate knowledge already in existence? Given that the "silver tsunami" (Maples, 2002) is a reality and large numbers of people are leaving the workforce and volunteer posts, how important is it to capture the organizational knowledge and history? What impact will the loss have on core services? The participants pondered that question, and although no clear answers were forthcoming, it looms large on the minds of nonprofit managers and could be a topic for further research.

New Mindsets

How the members of a nonprofit view the organization can be either limiting or liberating. One participant prescribes a more open perspective. For instance, instead of labeling the organization's purpose as delivering training, what happens to the perspective if it is thought of as a "capacity development provider"? What happens if a nonprofit that has been considered essentially a case management organization shifts the focus to prevention? When those questions are pondered, the doors of possibility swing wide on their hinges and other types of services or programs may be offered. A conceptual shift in identity is called for in this example, and that carries the risk that stakeholders may not grasp the change quickly and will need to be supported in the shift.

Adopting the mindset of change as inevitable was advice given by the participants. They suggested that learning to accept and expect change and finding a way to make it a positive experience on the personal level is a characteristic of an adaptive individual. When enough adaptive individuals band together, the nonprofit stands a better chance of benefiting from adaptive capacity. In short, in the wise words of one participant, "Be willing to be part of the change."

Stretch Goals

Nonprofits that develop and exhibit adaptive capacity are constantly pushing the edge of what's possible. They entertain the questions "How do we make change? How do we expand? How do we get information out there? Who should we be working with?" and they ask these questions continually. The are actively and proactively seeking new connections, new ideas, new markets, new processes.

One participant hoped that the nonprofit could maintain the dynamic aspect of their work. The ability to change was recognized as essential because it is impossible to predict exactly what will be needed in the future. When asked how this could be achieved the answer was "Foster creativity and flexibility and innovation. Listen and address concerns in a manner that is different from 'the way we've always done it.'"

Stretch goals require new ways of working and setting goals that cannot be achieved by "the way we've always done it" presenting a challenge for organizations to question current or established ways of working.

Consistency

Pushing the envelope and wading into new waters is a hallmark of adaptability, but one participant recommends a cautious approach. There is a place for consistency and standards alongside adaptability and innovation. There is a place for Neapolitan ice cream in any organization. Vanilla is the consistent part, while chocolate and strawberry provide the variation and customization. Consistency in language, training, brand, common promise, and some processes will provide stability, which can actually support flexibility.

Staying true to the mission and core purpose serves to provide a grounded platform from which innovations can springboard and find their place in the organization. The

essential roots and core values are the heart of any nonprofit. One participant described how consistency allowed for adaptability. Their strong strategic core provided a solid foundation from which to shift and adapt without a major overhaul.

The People

The importance of interpersonal relationships cannot be stressed enough. One participant remarks, "Foster a listening and responsive culture. This is the basis for how we decide what new programs to develop." Ask for feedback, suggestions, and input from members and take them seriously. Involve members in decisions that will impact them and listen to their cautions. Involve them early and involve them continuously. Another said, "Be transparent and accountable."

One participant noted that they need to be mindful of their ability to attract staff and volunteers, and they need to consider what the requirements and expectations of future workers will be. Changing demographics means that in order to be attractive to the next generation, things like flexible schedules, telecommuting, job sharing, and other options may have to be added to working agreements. "We have to continue nurturing the younger people and ensuring they have opportunities – that they see this as a worthwhile place to work and can stay for a long time."

Interpersonal relationships are of utmost importance according to some participants. Responding in a timely manner and addressing questions directly were just two of the comments made indicating that seemingly small actions can have a big impact on relationships. Forthcoming and honest communication was identified as a crucial element to an environment that enables adaptability. One participant reflected, "There is a culture that

nothing is said. It's the status quo and it's not healthy. People stop communicating if they feel they're not supported by management."

Hiring practices were tagged as a visible area for demonstrating credibility in matching job requirements to interpersonal skill sets. One participant recommended, "Provide clear outcomes for jobs and roles and be accountable for the choices." The cost can be high. If the right person is not in the right job, it can affect client relationships in a negative way and be disempowering for other staff.

Adaptive capacity itself might rest in the individuals in the organizations, more than any other element. It comes down to the people. One participant declared,

It's dependent on individuals and their own personal capacity to deal with that [change] and innovate and be creative and lead and have the endurance to launch an idea and stick with it, and hugely dependent on all of that in a small organization.

Tending to the people includes appreciating the clients and staying in contact with them so their concerns, ideas, issues, needs, and suggestions are heard from them directly and assumptions about their needs are not made incorrectly.

Expressing gratitude is another important way to tend to the people. It speaks to maintaining positive human connections and can be done in many small ways. Saying thank you, giving a small gift of appreciation, or taking the time to write a card means that they are recognized for their efforts and their contributions. Often it is these small mementoes that are saved for years as a reminder that the recipient made a difference and was valued.

The Grassroots

I am labeling the term *grassroots* to mean originating at the local level. Participants described this as important to adaptive capacity because it indicated to them a respect for ideas and comments that are initiated at any level of the organization.

One participant expressed how much the upward communications were valued. The participant shared examples of how ideas from the front lines were pushed up the channels and spread out to the membership and integrated into a wide range of initiatives. This was described as very gratifying for members and contributed to a culture where ideas could find fertile ground to grow and flourish.

What Does it Mean?

This chapter has arranged the themes generated from the data in different ways and grouped them in a variety of bundles, allowing a thorough examination and an opportunity to uncover meaning as a result. Now meaning can be made of what has been presented in the previous chapter and this one.

Indicators of adaptive capacity, according to the results and interpretation of this research are (a) reputation for providing value, (b) ability to partner and work collaboratively with other organizations, (c) a demonstrated willingness to take calculated risks, (d) a positive attitude toward learning and support for individual and organizational learning, (e) open mindset, (f) pushing the envelope, (g) consistency where appropriate, (h) attention to people and relationships, and (i) championing ideas from the grassroots.

The research question at the heart of this study is "How do nonprofit organizations develop and exhibit the capacity to proactively adapt to change?" and the participants have provided thoughtful insights into that query. The nonprofits that were included in this

research have different objectives and are in different circumstances so a rich collection of insights to draw on and address the question is available. Given the variety of mandates, viewpoints, and sizes of the organizations, it is not surprising that a concise, definitive conclusion of what it takes to develop adaptive capacity and exhibit it clearly cannot be easily drawn.

The participants' responses have been viewed in a number of different frames, and the fact that their comments so easily lent themselves to an organic arrangement also speaks to the organic and situational aspect of adaptive capacity. It is my belief that for a nonprofit organization, adaptive capacity exists when the necessary elements are present in the right combination. When the right assemblage of people, circumstance, resources, connections, and opportunity align, an organization is poised to develop and mine the benefits. A formula for adaptive capacity is elusive, and I prefer to describe this phenomenon as a recipe. Which ingredients are combined, and to what extent, are the determining factors for adaptive capacity. The unique flavour will depend on the amount each ingredient is present. It is adjusted to suit the stakeholders and will differ from kitchen to kitchen.

In every recipe there is a balance that produces the intended result. The balance between wet and dry ingredients and the balance of spice and sweet determine the end product. Balance is required when developing adaptive capacity too. Figure 6 illustrates the opposing conflicting forces, conditions, or considerations that are at work in the nonprofit organizations in this study.

High Tech — High Touch
Expectations — Capacity to Deliver
Core Values — Changing Times
Consistency & Stability — Flexibility & Nimbleness
Long Term Vision — Immediate Priorities
Partnering — Retaining Identity
Structure — Freedom
Funders' Requirements — Internal Needs
Order - Chaos
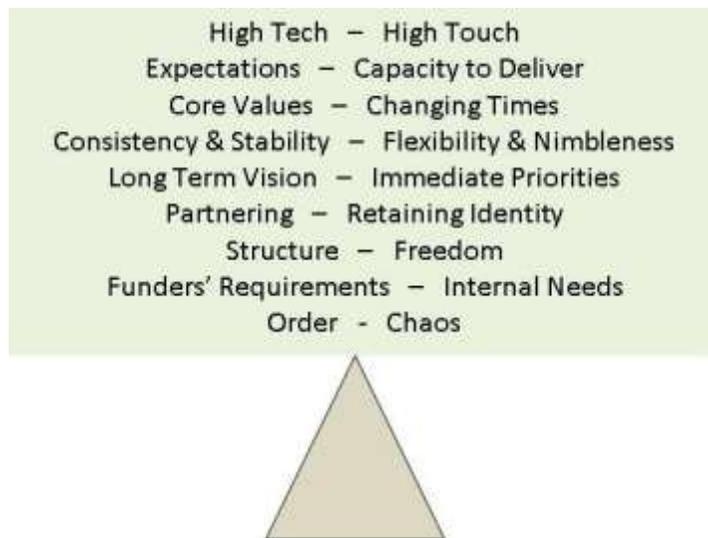
Figure 6. The balance for adaptability.

The balance between technology's advances and the personal touch and how that relates to the balance between a nonprofit's core values and the changing times demonstrate some juxtapositions that are intriguing to contemplate. Consistency and structure need to be in harmony with flexibility and freedom to push the limits to innovative results. The continual tug-of-war between setting a long-term vision and meeting short-term pressures needs to be reconciled on a daily basis. The answers are not clear cut and are highly situational. Perhaps this can best be described as a delicate balancing act and seeking the "perfect storm" conditions in which adaptive capacity can be recognized.

Strengths and Limitations of this Work

The strength of this research is rooted in the validation of participants' contributions. It was carried out systematically, using the same set of questions for each interview, providing consistency in the data collection process.   Semi-structured interviews offered consistency, while allowing the conversation to explore areas that were significant to the

participant and relevant to the topic. Accuracy of the interview transcripts was verified with the participants, building in a point of triangulation and lending strength to the findings.

The study included a cross-section of roles ranging from front-line personnel to board members, giving a slice of the nonprofit viewpoint. The sample population was drawn from nonprofits that serve cultural, educational, environmental, humanitarian, health care, and public service domains, incorporating diversity into the research. I was careful to avoid any nonprofits that I am affiliated with to avoid any perception of conflict of interest.

A pilot study was conducted to test the research design, process, and research questions and allow for any adjustments.

A limitation of this research may be the small number of participants (12) and nonprofits (5) in this study. It was confined to one geographic area meaning the results may be different in other areas. It was limited to English-speaking participants, excluding any ethnic contributions that may have added value to the research.

The research was not conducted over a period of time long enough to compare a baseline view with later views on adaptability. It also did not account for differences in perceptions from men or women, or group participants by age group. The size of the nonprofit organization was not recorded so those attributes are not able to be compared.

Contribution of this Research and Implications for Nonprofit Organizations

From the outset of this research, it was hoped that the findings would enhance the ability for nonprofits to develop adaptive capacity so they can better serve the communities and programs they support. It is acknowledged that the findings may be applied in ways that cannot be identified at this time because the future is unknown. It is hoped that groups, teams, leaders, and policymakers will be able to draw on the conclusions of this research and

in doing so tailor their actions and approaches to build adaptive capacity in their organizations.

An unintended benefit was that this research got people thinking about adaptive capacity and how it was demonstrated, or not, in their nonprofit. The research initiated conversations that had not taken place before and generated questions that had gone unasked. This study has raised awareness of adaptive capacity in the participants that were interviewed and the nonprofit organizations they work in. As a researcher I was always happy to talk about this research with others in conversation and concur with the participant who noted that taking the time to think about adaptability and how it shows up is worthwhile.

Both the literature review and the data gathered in the research interviews reveal a number of elements in the composition of adaptive capacity in organizations. It also suggests that dynamics among the elements is an important catalyst for adaptive capacity. The relationships between the elements reveal an organic, rather than a linear relationship. John Holland (in Fulmer, 2000) suggests this combination of active ingredients is a complex adaptive system, constantly interacting and rearranging themselves. It is far from the mechanistic model envisioned by Frederick Taylor over a century ago. It involves multiple and changing components in organizations, interacting with each other and external elements, evolving as needed and adapting to situations. Spontaneous planning may seem like an oxymoron, but it is in fact what is happening, and reflects one participant's remarks that they "plan to be innovative." The relationships within the system points may even be temporary, indicating fluid interdependencies instead of static ones.

These temporary relationships and interdependencies are not formed merely for singular problem-solving, but for the sake of continuously responding to environmental

changes and perpetual changes that impact the organization. The result is that an

organization is better positioned and equipped to anticipate and shift priorities and resources

accordingly.

The diagram first presented in Chapter 2, shows how an adaptive organization is able

to navigate the unpredictable and constant barrage of factors that impact operations and keep

their mission and purpose in view.

PROACTIVE ADAPTIVITY

Actions, Processes, Resources

Mission

Unknown or Unexpected Changes

"Assumes constant change and develops capacity to manage for it"
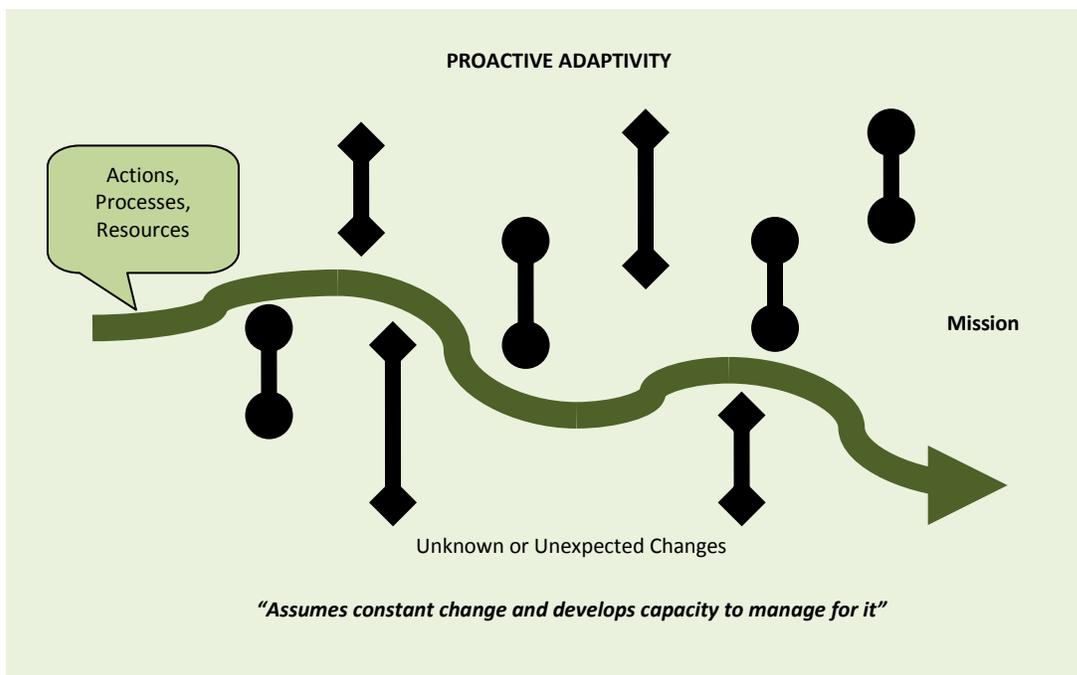
Figure 3. Path of an organization that uses a proactive approach to change.

Change is not an event that has a beginning, middle, and end. It is now viewed as

continuous and the ability to continuously adapt, rather than manage change is what is

needed. The research participants have voiced an awareness of a change in their mindset

toward what that means for organizations and for people. They have indicated a shift in thinking from sustaining programs or products to building sustainability for adapting.

The findings and conclusions point to some important implications for nonprofit organizations. The participants have experienced change not as a series of single events, but rather as a continuous process, and this shift in perception of change will colour how the myriad of practices is viewed. Organizational development itself will need to be viewed differently to accommodate the theory that our current practices and attempts to management change require modification to address the unrelenting waves of change impacting nonprofits. Leadership educators may look at their programs differently and assess their teachings about change and adaptability. Executive coaches may approach their work with clients in a different way when contracted to work with leaders. In fact, many human resources departments may have to take a fresh look at how they evaluate and reward employees and adjust their hiring practices, as one nonprofit in this study has done. The implications for anyone in, or associated with, a nonprofit workplace today could be impacted by the results of this study.

How Will this Information Solve Real Problems for Nonprofits?

One participant offered a clue as to why adaptive capacity is so hard to cultivate. It may simply come down to time. Adaptive capacity depends on a number of things, most of them requiring time to practice. It was bluntly put that "I'm so busy I don't have time to deal with the things that haven't happened yet. I don't have time to be proactive." The point was made that there are limited and finite resources in terms of time and energy to think about things that may or may not happen, and people are already spread so thin there is not time or energy to think about scenarios and opportunities. When fatigue restricts our own capacity

and drains our reserves, thinking about proactive adaptability becomes "one more thing" and often one thing too many.

So what can nonprofit organizations do to cultivate the conditions that will support the development of adaptive capacity? Based on the participants' comments and my interpretation of their remarks I have concluded that there are several things that can be used as building blocks to adaptive capacity.

Awareness of the nature of changes that impact an organization is the key to adapting to them. Awareness of the external environment and the internal culture is an asset to nonprofits with their finger on the pulse of change. If there is no awareness, there can be no preparation. A nonprofit that is able to adapt is aware of the nature of change and understands that it is not an event. It is a continual process and it is the reality of our world and it is communicated to others in that context.

When sustainability is discussed, it is tempting to think of it in terms of stability and maintenance. However, sustainability in terms of adaptability is more about a culture that is comfortable with ongoing change, not about adhering to specific programs or services. Adaptable organizations realize this, and hire accordingly, selecting recruits based on their fit with an adaptable and proactive culture.

Hiring practices along with all internal processes are examined regularly to see where adaptive capacity is supported and where it's hindered. Adaptations are made where necessary to support a culture where autonomy, risk-taking, and innovation are encouraged and championed. Diversity in funding sources, staff and volunteer expertise, and products and services will be cultivated so the organization can draw on a varied reserve of resources.

Integrity and credibility are qualities that instill trust and respect, and the participants ranked them high on the list of human characteristics that they deem important to fostering a culture of adaptability. These qualities are required not only from those in official leadership roles, but to everyone involved. Walking the talk is noticed throughout the organization. If a leader says innovation is important but does not champion new ideas, then credibility is crushed and it will be difficult to foster an adaptive culture in that organization.

Current leaders need to mentor a range of other leaders throughout the organization. Building depth by recognizing potential leadership at all levels, breadth by appreciating potential leadership in all areas, and longevity by developing leaders for the future is essential to adaptive capacity and sustaining an adaptive culture. To sustain an adaptive and innovative culture, mentor innovators and those that demonstrate a propensity toward proactive adaptability.

Returning to the organization's roots from time to time will recharge and renew the energy for accomplishing the vision. Asking "Why are we doing this anyway?" may prove to be the grounding force and help nonprofits prevent the temptation to stray from their core purpose and fall victim to mission drift.

Connecting with others, spreading the word, and creating fertile ground for new ideas and approaches was mentioned throughout the interviews. There are many ways to leave the hive and pollinate surrounding fields. Networking and establishing external relationships was mentioned as a way to forge new connections. Communicating and connecting using technology is a low-cost way to generate momentum and pique interest for new ideas. Tweeting on Twitter, posting on Facebook, and blogs are ways to communicate that

proactive nonprofits are using to publicize their initiatives, harness creativity, and generate good will for very little money.

These are some suggestions for developing adaptive capacity in nonprofit organizations. The participants that were included in this research were enthusiastic about learning how they can further proactive attitudes and nurture adaptive capacity in the organization they are committed to. Their clients, members, and customers are the biggest beneficiaries of increased adaptive capacity.

Future Research

As noted earlier the participant group was limited to English-speaking nonprofit organizations in British Columbia, Canada. Future research could explore how participants in nonprofit organizations in different geographic areas, who belong to different ethnic groups, and who speak different languages, view adaptive capacity. A larger sample could be obtained, and a study could be done over time, allowing for charting changes in perceptions of adaptive capacity.

The gender of participants and their ages could be recorded to get a generational or demographic sense of adaptive capacity. Nonprofit organizations of different ages and sizes could be studied and compared, noting whether their structures are rigid or flexible and whether their organization charts are flat or not. The same nonprofits in this study could be approached in the future to compare what remains the same and what has changed as a result of external and internal impacts.

The composition of staff and volunteers could be examined and more could be learned about the characteristics of those drawn to work in nonprofits and if there is any co-relation to a propensity to adaptability.

I leave it up to the creative and innovative minds of future researchers to explore in greater breadth and depth what I have found in this research and where the gaps are determined to be.

Closing Reflections

The purpose of this research was to learn about adaptive capacity from the perspective of the participants and thereby to increase our current understanding of adaptability in nonprofit organizations. Taken as a whole, certain aspects, traits, and characteristics are essential to a nonprofit's ability to be proactive, innovative, and be considered to have adaptive capacity. A closer look reveals that these aspects require a balance to support adaptive capacity.

The results of this study are important because the study explored adaptive capacity from the vantage point of staff, board members, and volunteers, providing perspectives from various points in the organization, providing a comprehensive view of how adaptive capacity is viewed throughout the organizations studied.

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APPENDICES

Appendix A - Invitation to Participate in a Research Project

Month, Day, Year

Dear _____:

I am a PhD candidate in the Human and Organizational Development program at Fielding Graduate University, Santa Barbara, California. As a requirement for the doctorate degree I am conducting a research study to examine adaptive capacity in nonprofit organizations and I would be grateful for your participation. The research will increase our understanding of how nonprofit organizations build the capacity to meet internal and external changes.

The goal of my research is to better understand and document the ways nonprofit organizations develop the capacity to change.

Your stories, experiences, and understandings are important to this study, and I would sincerely appreciate your input. I hope you will volunteer to participate in my research by allowing me to interview you.

The information that is shared is confidential and no one interviewed will be personally identified. To protect your confidentiality, all recordings and transcripts will be coded and your name and identifying information will not be included. I am the only person who will have access to the recordings and the two informed consent forms (attached).

Your contribution would involve an interview of approximately one hour. The interview will be digitally recorded so I can accurately transcribe your input. Approximately two weeks after the interview I will forward a copy of the transcribed notes to you so you can verify the original script. Your total time commitment will be approximately two hours, one hour for the initial interview and one hour to review the original script.

As your participation in this research is voluntary you may withdraw at any time.

If you agree to be interviewed for this project, please respond to me by _____(date). I will then contact you with a proposed date, time, and place for the interviews. At that time I will also ask for two (2) signed copies of each consent form (informed consent and consent to allow digital recording).

I hope this project is of interest to you and look forward to talking with you soon.

Thank you,

Charlotte Gorley
Charlotte Gorley, MA, CEC, ACC
Victoria, BC
250-474-4289
cgorley@shaw.ca

Faculty Advisor:	**Researcher:**
Dr. Dorothy Agger-Gupta,	Charlotte Gorley,
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2112 Santa Barbara Street	Victoria, BC
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Appendix B - Informed Consent Form

Building Adaptive Capacity in Nonprofit Organizations

You are invited to participate in a research study conducted by Charlotte Gorley, a doctoral student in the School of Human and Organizational Development at Fielding Graduate University, Santa Barbara, CA. This study is supervised by Dr. Dorothy Agger-Gupta, Dissertation Chair.

Introduction: This research involves the study of adaptive capacity in nonprofit organizations and is part of Charlotte Gorley's Fielding dissertation. For the purposes of this study the operational definition of adaptive capacity includes a dynamic, organic approach to proactively preparing for change and anticipating that unpredictable forces will shape the organization's surroundings.

You are invited to participate in this study because you are a stakeholder in a nonprofit organization.

Purpose: The purpose of this research is to gather information that will create new knowledge regarding adaptive capacity of nonprofit organizations. Specifically the research will determine the elements that facilitate adaptation in nonprofits that demonstrate the ability to adapt to changing environments and demands.

The goal of this research is to contribute to the knowledge already in existence on nonprofits and their ability to build adaptive capacity in preparation for changing environments and demands. Quite simply, to better understand and document how some nonprofit organizations are able to adapt.

Process: The study involves a one-on-one interview with Charlotte Gorley, on the topic of organizational adaptability, to be arranged at your convenience. This will last approximately 60 minutes. The interviews will be conducted in a location comfortable and convenient for you.

The total time involved in participation will be approximately two hours and includes the interview and the review of the transcripted interview data.

Confidentiality: If you participate, the information you provide will be kept strictly confidential. The informed consent forms and other identifying information will be kept separate from the data. All materials will be kept in a locked cabinet in my home office. The connection of your name to the information you provide will be kept strictly confidential.

Data will be collected using a digital recording device. Participants' names will not be used or recorded. A coding system will be used to mark and sort the data following the sessions. You will have the right to turn off the recorder at any time during the interview, or request that the recording not be transcribed. Digital recordings will be listened to only by the researcher. Upon transcription, the data will be provided to you for verification or correction. When all the raw data is verified by you it will then be analyzed, themed, and summarized. Identifying names (or other identifying information) will be removed or pseudonyms will be used.

The Institutional Review Board of Fielding Graduate University retains the right to access the signed informed consent forms and study documents.

Participation is completely anonymous. Any records that would identify you as a participant in this study, such as informed consent forms, will be destroyed by erasing or shredding upon my graduation.

The results of this research will be published in my dissertation and possibly published in subsequent journals or books or presentations.

Benefits and Risks: You may develop greater personal awareness of adaptive capacity as a result of your participation in this research. The risks to you are considered minimal.

Your participation in this research is voluntary and you may withdraw from this study at any time, either during or after your participation. Should you withdraw, your data will be eliminated from the study and will be destroyed.

No compensation will be provided for participation.

You may request a copy of the summary of the final results by indicating your interest at the end of this form.

If you have any questions about any aspect of this study or your involvement, please contact the researcher, Charlotte Gorley, before signing this form. You may also contact the supervising faculty if you have questions or concerns regarding your participation in this study. The supervising faculty has provided contact information at the bottom of this form.

If you have questions or concerns about your rights as a research participant, contact the Fielding Graduate University IRB by email at irb@fielding.edu or by telephone at 805-898-4033.

Two copies of this informed consent form are required. Please print and sign both, indicating you have read, understood, and agree to participate in this research. Return one to me and keep the other for your files. The Institutional Review Board of Fielding Graduate

University retains the right to access the signed informed consent forms and other study documents.

I have read and understood the Informed Consent Form and agree to participate in the study.

_____
NAME OF PARTICIPANT (please print)

_____
SIGNATURE OF PARTICIPANT

_____
DATE

Faculty Advisor:	**Researcher:**
Dr. Dorothy Agger-Gupta,	Charlotte Gorley,
Fielding Graduate University	584 Tory Place
2112 Santa Barbara Street	Victoria, BC
Santa Barbara, CA 93105	V9C 3S3
805-687-1099	250-474-4289
dotagger@fielding.edu	cgorley@shaw.ca

∎∎∎

Yes, please send a summary of the study results to:

_____
NAME (please print)

_____
Email

Appendix C - Consent for Digital Recording

Research Project:
Building Adaptive Capacity in Nonprofit Organizations

      I have consented to participate in the above noted research project and understand that the data collected will be recorded digitally to ensure accuracy in transcription. I understand that the recording will be kept in a safe and secure area and that it will be destroyed upon the researcher's graduation.

      By way of this signature, I hereby give the researcher permission to record me during my participation in this project. I have been given an opportunity to ask questions about the interview process and all questions have been answered to my satisfaction.

      I have read and understand this consent form.

Name [please print]:   _____

Signature: _____

Date: _____

Signature of the Researcher: _____

      A signed copy of this consent has been provided to you for your records and reference.

Faculty Advisor:	**Researcher:**
Dr. Dorothy Agger-Gupta,	Charlotte Gorley,
Fielding Graduate University	584 Tory Place
2112 Santa Barbara Street	Victoria, BC
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Appendix D - Thank You and Confirmation to Participate

Month, Day, Year

Dear _____:

Thank you for agreeing to be part of my research on adaptive capacity in nonprofit organizations. Your thoughts, perspectives, and insights will contribute to research that has the potential to benefit many organizations and many communities.

I'm taking this opportunity to confirm our interview time and place, brief you on the interview process, and provide you with some questions to spark our conversation.

The interview will take about an hour of your time. We have agreed to meet at _____ (place) at _____ (time).

The questions below reflect the intended focus of the interview:

1. How do you view adaptability in your nonprofit organization?
2. What nature of changes do you see in the work you do with your nonprofit?
3. What internal changes are affecting your nonprofit organization?
4. What external changes are affecting your nonprofit organization?
5. Can you share a story about how your nonprofit organization adapts to change?
6. What do you think your nonprofit organization needs to continue to do?
7. What do you think your nonprofit needs to change?
8. In your view, how should a nonprofit address these changes?

I look forward to meeting you and hearing your thoughts on adaptive capacity as it pertains to nonprofit organizations.

Thank you again for taking the time to participate in this valuable research,

Charlotte Gorley
Charlotte Gorley, MA, CEC, ACC
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250-474-4289
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Faculty Advisor: **Researcher:**
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dotagger@fielding.edu   cgorley@shaw.ca

Appendix E - Participant Feedback Template

I have participated in the above noted research project and offer the following feedback on the process, documents, communications, and interview questions.

Feedback on Process

Was the process straightforward?	Yes	No Why not?
Were the instructions easy to understand and follow?	Yes	No In what way?
Comments on process and instructions. What can I do to improve any areas where you answered 'No'?		

Feedback on Interview

Was the wording of the questions appropriate?	Yes	No Why not?
Was the language of the questions suitable?	Yes	No Why not?
Was the substance of the questions at the right level?	Yes	No Why not?
Were the questions clear?	Yes	No Why not?
Were the questions in a logical sequence?	Yes	No What would be better?
Was the interview the right length of time?	Yes	No Why not?
Comments on interview questions. What can I do to improve any areas where you answered 'No'?		

What other questions should I be asking?	

Feedback on Documents and Communication

Were the documents you received professional and clear?	Yes	No Why not?
Did the documents (invitation to participate, research info sheet, consent forms) contain the information you needed?	Yes	No What was missing?
Was there other information that would be helpful to include in the documents?	Yes What was missing?	No
Were other communications (e.g. emails) from me professional and clear?	Yes	No Why not?
Comments on communications. What can I do to improve any areas where you answered 'No'?		
What advice do you have for me regarding conducting the research project?		

Appendix F - Checklist Template

Interview Checklist

NAME	INVITATION SENT	CONSENT FORM SENT	CONSENT FORM RECEIVED	RECORDING CONSENT SENT	RECORDING CONSENT RECEIVED	INTERVIEW SCHEDULE DATE	INTERVIEW CONDUCTED

NAME	Transcript Sent	Transcript Confirmed	Thank You Card Sent

Each participant receives:

1 invitation to participate

2 consent forms (one to be returned to me, one for their record)

2 consent for digital recording (one to be returned to me, one for their record)

The above may be sent electronically

1 thank you card (text saved) (may be given in person)

1 stamped envelope, addressed to me (if snail mail)

Appendix G - Interview Protocol

INTRODUCTION:

Good morning (or afternoon). Thank you so much for taking the time to meet with me today and agreeing to participate in this important research project. My name is Charlotte Gorley and I am conducting this research project as part of the requirements for a doctorate degree in Human and Organizational Development at Fielding University in Santa Barbara, California.

You have been identified as a participant because of your role in the _____ organization and your ability to contribute in a meaningful way to this research. I will be asking you share your perspective of your organization's ability to prepare for and adapt to change.

 The purpose of this research is to gather information that will create new knowledge regarding adaptive capacity of nonprofit organizations. Specifically the research will determine the elements that facilitate adaptation in nonprofits that demonstrate the ability to adapt to changing environments and demands.

The goal of this research is to contribute to the knowledge already in existence on nonprofits and their ability to build adaptive capacity in preparation for changing environments and demands. Quite simply, to better understand and document how some nonprofit organizations are able to forecast changes in their environment and make adjustments or changes accordingly.

This interview will be one of several that will be conducted as part of this research process. The same areas of discussion will be explored with all participants and all of the data that will be collected will be analyzed and compiled into a report that will form part of my doctoral dissertation. I will be recording the interview today because I don't want to miss any of your comments.

Prior to this session, you have provided me with informed consent to participate in this interview and allow recording of the session. A copy of the two consent forms have been provided to you for your reference. By way of the signed consents you have indicated your understanding and agreement of the conditions of this research interview and process.

I respect your confidentiality and your privacy as a participant in this research project. I reassure you that your participation and the information gathered today will be kept in strict confidence and that all personal identifiers will be taken out once the data has been collected and verified by you. For future reference, your information will be referenced only through a confidential code.

I invite you to feel relaxed, and comfortable in sharing your information during the next hour or so. There is no right or wrong answer, and I want to capture your thoughts and insights ideas as you offer them.

I will be posing some questions to you to guide our conversation.
Are there any questions or areas that you would like to clarify before we get started?

SESSION STARTS

Turn recording device on.

As the interviewer, I will not be actively participating in your conversation other than to ask the questions, offer a prompt, or to ask for clarification. This is your chance to share your story and your thinking. My role is to engage you in responding to the questions and ensure we keep the conversation on topic.

1. How do you view adaptive capacity in your nonprofit organization?

Facilitator Prompts (if necessary):
   - What does it look like in your organization?
   - How do you define adaptive capacity in your organization?
   - Can you elaborate on that?

2. What nature of changes do you see in the work you do with your nonprofit?

Facilitator Prompts (if necessary):
   - How do you see these changes affecting the future of your organization?
   - How ready is your organization for these changes?

3. What internal changes are affecting your nonprofit organization?

Facilitator Prompts (if necessary):
   - What are the critical issues?
   - How are these internal changes affecting your organization's ability to fulfil its mandate and meet its goals?

4. What external changes are affecting your nonprofit organization?

Facilitator Prompts (if necessary):
- What factors are impacting your organization?
- How is your organization identifying external challenges?

5. Can you share a story about how your nonprofit adapts to change?

Facilitator prompts (if necessary):
- What example of adaptation comes to mind?
- What was the outcome?

6. What do you think your nonprofit organization needs to continue to do?

Facilitator Prompts (if necessary):
- What is working well?
- How do you know?

7. What do you think your nonprofit organization needs to change?

Facilitator Prompts (if necessary):
- What has caused challenges?
- What are the most difficult challenges?
- What would you like to do or see done differently?

8. In your view, how should a nonprofit address these changes?

Facilitator Prompts (if necessary):
- What are the essentials to adaptation?
- If you could 'make it happen' where would you start?
- What would your recommendations be?

9. Is there anything else you'd like to add?

WRAP UP

Thank you for providing your thoughts and perspective and offering your insights. Your contribution will be helpful in furthering our understanding regarding adaptive capacity. Your time and participation are very much appreciated.

I will transcribe the recording and I will contact you so you can read them over to verify for accuracy and note any revisions that may be required. Once you have returned the transcription to me I will remove all of the identifiers in the data so that it cannot be traced to this interview.

I would appreciate any feedback that you might have about the questions themselves and/or the process. You are more than welcome to email me or call if you have any further thoughts or questions.

Thanks again for your participation and time.

Turn recorder off.

Appendix H - Transcriptionist Confidentiality Statement

I, _____, transcriptionist, agree to maintain full confidentiality in regards to any and all digital recordings received from Charlotte Gorley related to her doctoral study on Adaptive Capacity as a Proactive Approach. Furthermore, I agree:

1. To hold in strictest confidence the identification of any individual that may be inadvertently revealed during the transcription of digitally recorded interviews, or in any associated documents;
2. To not make copies of any digital recordings or computerized files of the transcribed interview texts, unless specifically requested to do so by Charlotte Gorley;
3. To store all study-related digital recordings and materials in a safe, secure location as long as they are in my possession;
4. To delete all electronic files containing study-related documents from my computer hard drive and any backup devices upon completion of the research.

I am aware that I can be held legally liable for any breach of this confidentiality agreement, and for any harm incurred by individuals if I disclose identifiable information contained in the audiotapes and/or files to which I will have access.

Transcriber's name (printed)

Transcriber's signature