

Creating Organization Authenticity to Reduce the Driving Factors of  
Burnout in Small Nonprofit Organizations

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### Abstract

This paper examines the driving factors of burnout within small nonprofit organizations and purposes interventions aimed to create “organization authenticity”, a term inspired from the work of Morris Berman (1981) on body authenticity. The goal of this work is to dig deeper into the psychological and emotional conditions that cause burnout and consider how they can be healed and harmonized. Small nonprofits are emphasized because of the financial and structural challenges they face in addition to the intimacy of their work environment. The interventions are designed with this in mind and may not be applicable to larger nonprofits.

## Creating Organization Authenticity to Reduce the Driving Factors of Burnout in Small Nonprofit Organizations

Indian social rights activist, Mahatma Ghandi spoke of changing the world through changing the inner self; however, most nonprofit professionals and organizations seek to transform the outer world. Individual and group needs are noticeably ignored for the sake of the cause. The pressure to succeed is particularly high with young, small nonprofits who struggle to earn esteem and build a financial cushion. A minor self-gratification may be observed when a desired change is secured, only enough to not delay the commencement of next campaign. This lack of authenticity is the leading factor in the widespread condition of burnout within the nonprofit industry. This paper will explore the driving factors of burnout and potential interventions to increase the self-genuineness and self-care of professionals within small nonprofit organizations. The hypothesis of the paper is that if the whole being needs of individuals and organizations are recognized and addressed, burnout will be reduced and increase the effectiveness of the organization and staff.

### **Nonprofit System Overview**

The nonprofit system is massive and extremely complex with an estimated 2.3 million nonprofits operating in the United States in 2010 (Blackwood, Roeger, & Pettijohn, 2012). A majority of the operating nonprofits are public charities, each with a different mission and vision for a better world. In 2010, public charities reported \$2.71 trillion in assets, a 42.6 percent, inflation-adjusted increase since 2000 (Blackwood et al., 2012). A list of subsystems includes board of directors, staff, volunteers, donors, clearinghouses, and program participants. Each of these subsystems can be further divided into several more categories; however, this paper will

focus specifically on the subsystems related to the internal organization – board of directors, staff, and volunteers.

### **Nonprofit Regulations and Employment**

The most defining characteristic of nonprofit organizations is their exemption from paying federal income taxes. Nonprofits are also restricted from distributing profits to controlling individuals of the organization, such as employees, directors, or members. A large percentage of nonprofits' income must be received from mission-related activity and be used for similar expenses. Simply put, nonprofits are designed to be fueled by a goal of social benefit such as education, health, social justice, or religion. Several clearinghouses collect nonprofit financial data and monitor the efficacy and integrity of organizations for potential donors and funders to examine.

The nonprofit industry is a major employer. With 10.7 million employees in 2010, it was the third largest workforce in the United States (Salamon, Sokolowski, & Geller, 2012). Nonprofit employees account for 10.1 percent of the private workforce trailing the manufacturing industry by less than one percent. Additionally, 64.3 million people volunteered at least once during 2011 (Blackwood et al., 2012). The nonprofit job sector is also resilient. Between 2000 and 2010, nonprofit employment increased every year at an average rate of 2.1 percent while for-profit employment declined by 0.6 percent (Salamon et al., 2012).

### **Small Nonprofits vs. Large Nonprofits**

For the purpose of this paper, small nonprofits will be defined as organizations with annual expenses less than \$500,000. In 2010, nearly 75 percent of nonprofits fell into this category and accounted for only 2.2 percent of total expenses within the entire industry. In contrast, the largest nonprofits with annual expenses of \$10 million or more represented only 4

percent of all nonprofits and accounted for a staggering 85.6 percent of total expenses (Blackwood et al., 2012). These massive nonprofits typically have endowments in the millions or even billions of dollars. Similar to social classes in society, the wealthy nonprofits gobble up a large percentage of funding while smaller nonprofits struggle to cover monthly expenses.

As with any local business, small nonprofits play an important and unique role in addressing community needs. Large nonprofits usually develop a national business model that is implemented locally. Similar to fast food restaurants and retail chains, large nonprofit storefronts and fundraisers can be found in every major city across the country focusing on common community issues. Small nonprofits are more homegrown targeting a specific need with tailored programs based on a wealth of local knowledge and experience. Whereas large nonprofits suffer from over-bureaucracy common to any national business, small nonprofits typically suffer from a lack of organizational structure and clarity of roles. One advantage of most young nonprofits is their permeability to change and guidance making them attractive for various interventions.

### **Occupational Burnout in Nonprofits**

There are no occupations immune to burnout. It is a condition that can severely affect the health and livelihood of employees, and the organizations they work for. It stems from a lack of balance between the work and the worker. Pressures to physically, mentally, and emotionally overcommit to work may come from upper management, lateral co-workers, customers, family, or self-inflicted. Dr. Beverly Potter (1980), a psychologist specializing in career and workplace issues, identifies the following symptoms of occupational burnout: frustration, depression, interpersonal problems, emotional withdrawal, health problems, self-medication, declining performance, and feelings of meaninglessness. Historically, burnout in the workplace has been handled in the same way as posttraumatic stress disorder has been handled in the military –

unnoticed, underappreciated, misunderstood, and ostracized. Only recently have burnout and stress been taken more seriously and addressed through employee wellness programs.

Unfortunately, many of these cookie-cutter programs fail to provide the depth needed for significant change in the health of the employee.

In nonprofit work, there is one more factor that contributes to the presence of burnout – the desire to fulfill a heart-centered mission. Kedren Crosby (n.d.), of Nonprofit Resource Network, reflects on the mindset of nonprofits:

The nonprofit movement in America was birthed out of the same religious fervor which esteems martyrs and saints. In the 1800s, Tocqueville internationally esteemed our uniquely American ability to self-sacrifice and organize to create a more civil society.

Our roots are steeped in self-denial for the good of the cause. We often throw our personal lives ‘under the bus’ for the betterment of the organization.

In other words, the unwavering and narrow-minded commitment to the cause that nonprofits seek to transform can become the root of their inability to change it.

It is difficult to find statistics on employee burnout rates within nonprofits; however, the rate of organizational burnout can be considered based on the number of nonprofits that fail to file tax forms during a given time period. The National Center for Charitable Statistics (NCCS, n.d.) states that over a five-year period, approximately 16 percent of organizations that filed tax forms in 2000 failed to file again in 2005. Considering 444,161 nonprofits filed tax forms in 2000 (Blackwood et al., 2012), the number of organizations that failed to file in 2005 amounted to over 71,000. It can only be speculated that many employees and volunteers were impacted by the stress of their organization dissolving. Other studies have concluded that the age and size of

nonprofits significantly impact the survival of organizations, highlighting the high mortality of young, small nonprofits.

### **Driving Factors of Burnout**

Four driving factors of burnout will be discussed in the paper – poverty mentality, over-selflessness, ignorance of reality, and sense of failure or hopelessness. Although, other researchers may contend that structural and policy-based issues are to blame for burnout, the focus of this paper is to examine the underlying psychological and emotional conditions that are ultimately responsible for the overall health of the employee and organization. What is in the collective identity of small nonprofits that produces financial crisis, overwork, stress, and despair? This approach is intended to explore the character armor of those affected by burnout. The function of character armor is “designed to fulfill the function of defense or protection or, alternatively, acquisition and aggrandizement (Berman, 1981, p. 174).” This indicates a lack of awareness and balance in individuals or organizations with character armor. They are protected from the truth of reality. When new problems arise, the organization may respond with chaos because the solution is searched for within an already wounded system. This can generate a positive feedback loop, or unbalancing circular causality (Capra, 1996), of greater unhealthiness and eventual burnout.

It is important to mention that this paper will relate each of the driving factors to individuals and organizations interchangeably. Although each individual experiences and identifies with the driving factors below, a group consciousness can form over time. The potential for a group identity in small nonprofits is especially high because of the intimacy of the work. The circle between the founder, directors, and staff can be extremely tight and influential. Thoughts and emotions can be quite contagious and fresh perspectives infrequent. If the group

identity is strong enough, it will likely pull only new members into the group with a similar mindset thereby strengthening the established paradigm.

### **Poverty Mentality**

In a personal interview, Keith Desrosiers, Executive Director of Thorne Nature Experience founded in 1959, resolutely stated that the number one problem in small nonprofit work is poverty mentality. It is an attitude or mindset that focuses on what one does not have rather than what one does have. It can be a limiting and potentially paralyzing perspective on what is possible. Typically, poverty mentality is related to money, but it could also be connected to other resources such as professional skills and knowledge, time, personnel, and even popularity.

In small nonprofits, money is arguably the greatest tangible need. The founders may be inspired by an altruistic vision to establish the organization but lack the necessary startup funds. There can also be a steep learning curve if the founders are new to the nonprofit industry. The race for funding begins with high hopes. If the organization does not succeed in meeting fundraising goals, poverty mentality can quickly and firmly set in. A similar process can also occur after an organization has been in operations for some time, if a funding source dries up or expenses increase unexpectedly.

The roots of poverty mentality can even be found in the name of the industry which is predominately referred to as the nonprofit sector, but alternatively called not-for-profit. Although, the disparity in meaning between the two names may seem negligible at first, each term can be taken in a significantly different direction. The prefix non means negation, refusal, failure, or absence. Therefore nonprofit could be understood as refusing profit or an absence of profit. However, nonprofits can actually make large profits in a fiscal year as long as the profits

are from mission-related income and saved for future mission-related activity. On the other hand, not-for-profit could be understood as what the organization primarily stands for or works for, namely the mission. This does not negate profit. It allows for it to be a secondary goal.

Ultimately, the best scenario would be to remove the word profit altogether and identify what the organization is for rather than not for. An appropriate title might be for-mission or for-public good. Unfortunately, the current paradigm of society demands that organizations be viewed through a financial lense, even nonprofits that hold their mission supreme.

### **Over-Selflessness**

When making choices in a nonprofit organization, the mission is usually the chief determining factor. Staff, budgetary, and program decisions are all based on the organization's ability to fulfill its mission. Staff members and directors of the organization are predominately fueled by their passion for the mission. The mission defines the organization's commitment and gift to society. It is the first phrase that staff members are instructed to memorize. All of this creates a culture of giving and, over time, can develop into a deep-rooted sense of pride and identity. The staff and organization become closed-off to the notion of equal exchanges. A near militant attitude can form that demonizes the act of receiving offerings such as competitive salaries, praise, or emotional support. Paradoxically, receiving is the exact action that the organizations constantly ask their program participants to do.

There are several issues that result from over-selflessness. Since giving is seen as virtuous, receiving is undervalued which can indirectly translate to an organization undervaluing its services. They become overly humbly and unconsciously deflect various gifts offered to them. This can lead to a lack of self-care and, eventually threaten the livelihood of the organization and staff members by leading to burnout. Unfortunately, they are either unable to receive the much

needed help because of all factors mentioned above, or if they do surrender to their needs, the level of burnout might be insurmountable.

### **Ignorance of Reality**

Small nonprofits are structurally coupled to the community they serve. Structural coupling is the process in which a system interacts with its environment. Capra (1996) states that, “the environment only triggers the structural changes; it does not specify or direct them (p. 219).” This implies that a small nonprofit must constantly process all types of feedback it is receiving from the community. In some cases, a good-hearted and strong-minded nonprofit may ignore or overlook certain feedback because it does not fit into their set perspective of what is needed in the community. The early warning signs may relate to funding, program participation, legal contracts or another critical issue. The organization can be focused on the success of the program and not make the critical adjustments needed. In some difficult scenarios, the feedback from the community can even suggest the dissolution of the organization. If the organization does not process the valuable information, it will be progressively more confused and frustrated as goals are not achieved, and widespread burnout can result. This condition has also been supported by research when Hager, Galaskiewicz, and Larson (2004) concluded that the low survival rate of small, young nonprofits was the result of weak structural coupling to the community and donors.

Members of the organization may also have an obscured view of nonprofits in general. Some might be wounded from experiences in for-profit businesses and enter the nonprofit sector to escape the pressures of making money or the sting of corporate bureaucracy. Their idealistic perspective may define nonprofit organizations as cheerful, non-competitive groups set on making a difference in the world. They forget that nonprofits are businesses, first and foremost.

Nonprofits must generate money and pay salaries. Tough personnel decisions need to be made and strategic planning must be executed. Funding is extremely competitive and a proven track record of program success needs to exist. Without taking these critical factors into account, the organization is likely to encounter many challenges.

### **Sense of Failure and Hopelessness**

Nonprofits are committed to making a difference in the world. They see and feel the pain of others and strive to heal it. There is an endless list of issues that nonprofits attempt to solve or at least provide some support for. Unfortunately, there are no guarantees of success. In fact, there is often an overwhelming amount of new problems that arise as organizations dig deeper into the issues, such as cultural dissonance, policy constraints, or drained resources. For nonprofit professionals that are emotionally invested in their work, all of this can produce a deep sense of failure and hopelessness, and eventual burnout.

It is important to highlight both failure and hopelessness because they are not mutually exclusive conditions. Both can occur together but it is interesting to consider them independently as well. For instance, a nonprofit might be very successful in accomplishing their mission and still feel hopeless. The local soup kitchen may feed thousands of homeless citizens each week and wonder if the length of the lines will ever decrease. Conversely, an organization and its members might be unsuccessful in achieving their goals and still remain hopeful. This situation is also related to the ignorance of reality driving factor if the hopefulness is unfounded.

The difference between this driver factor and the three mentioned previously is that it is an emotional response to the state of the community that is reflected back to the organization. Regardless of varying emotional predispositions individuals may have, any level of failure and

hopelessness is a deep pain that must be addressed. This process can be extremely challenging because the organization and staff may feel helpless if the solution is out of their control.

### **Interventions**

The driving factors of burnout listed above deal with the psychological and emotional conditions of nonprofit organizations and professionals. To have any success in ameliorating the health of burnout-affected organizations, interventions must have same implications. The interventions must awaken what Berman (1981) calls “body authenticity (p.175)”, or for this issue, ‘organization authenticity’. Organization authenticity will be defined as an awareness and harmonization of all internal and external aspects of the nonprofit with a deeply felt wisdom. It is not only observing the number of people helped or the amount of money raised, but also the overall wellbeing of staff and the implications of troubling realities. The three interventions below will consider the promotion of organization authenticity, each targeting a different part of the system – board of directors, executives, and staff. Some of the suggested changes may trigger a concern for how donors or colleagues might react; however, if they are done from a place of authenticity, it is less likely that they will be questioned.

### **Redefining Mission & Values**

The board of directors is responsible for the overall governance of an organization, which includes policies, annual budgets, evaluations, executive hiring, and resource security. In the nonprofit sector, the most important responsibility of the board is the establishment of the mission and values. As mentioned several times above, it is what drives the organization. To cultivate organization authenticity and confront the driving factors of poverty mentality and over-selflessness, the altruistic mission and values can be redefined to include such terms as employee wellbeing and balance, emotional intelligence, and resilience.

The most important question to consider is how to convince the board to adopt such measures? One angle is to focus on the principles of for-profit business since most directors have had successful careers in for-profit businesses. It is common to hear in the for-profit industry that companies put employees first. Why should this be any different in the nonprofit sector? When the nonprofit is unable to maintain organizational health, the mission is severely threatened. There is a constant spiraling exchange of energy between the organization and the community. If the board is able to see the great influence that the organization's health has on its effectiveness, they might consider adopting new values and amending the mission.

### **Social Entrepreneur Mentorship**

Nonprofit executives are connected to every aspect of the organization – board, staff, volunteers, donors, sponsors, partners, and the greater community. If they have a blind spot, the entire organization is affected by it. Unfortunately, leadership development is frequently overlooked in the nonprofit industry. Most small nonprofit executives are thrown into the fire and expected to make the most of it. Quality mentorship from successful social entrepreneurs may feel this gap with executives and confront the driving factor, ignorance of reality.

Social entrepreneurs use entrepreneurial skills to benefit a social issue. A designated portion of the profits is donated to a specific cause that is part of an overall business model. The difference between social entrepreneurs and nonprofit executives is that the former must answer to financial investors and compete with for-profit companies. This requires more business expertise and analyses such as feasibility studies and in-depth financial planning. This skillset could be very valuable to address some often overlooked issues in nonprofit management.

### **Organization Doctor**

The office environment of small nonprofits is typically intimate and intense. Responsibilities overlap and close bonds are created. However, as mentioned above, the focus is predominately on the impact they are having in the community which leaves little room for group and interpersonal check-ins. Staff schedules and task lists are often overflowing because of a lack of sufficient personnel. Essential emotions, such as the driving factor of failure or hopelessness, may be suppressed because of the pressure to stay afloat. To confront these challenges and ensure that they do not escalate to burnout, creating an organization doctor (OD) that periodically takes the pulse of the group could be very helpful.

With support of the board of director and executives, the OD would be a rotating, part-time, paid role that every staff member would eventually hold. It would require two or less hours per week for a maximum of six months. The OD would have a checklist of questions regarding the overall physical, emotional, and psychological health of the organization and staff. The position would also be responsible for facilitating a monthly group process with staff that is safe and open. The adoption of this role will create a new flow of information to increase the awareness, honesty and authenticity of the organization.

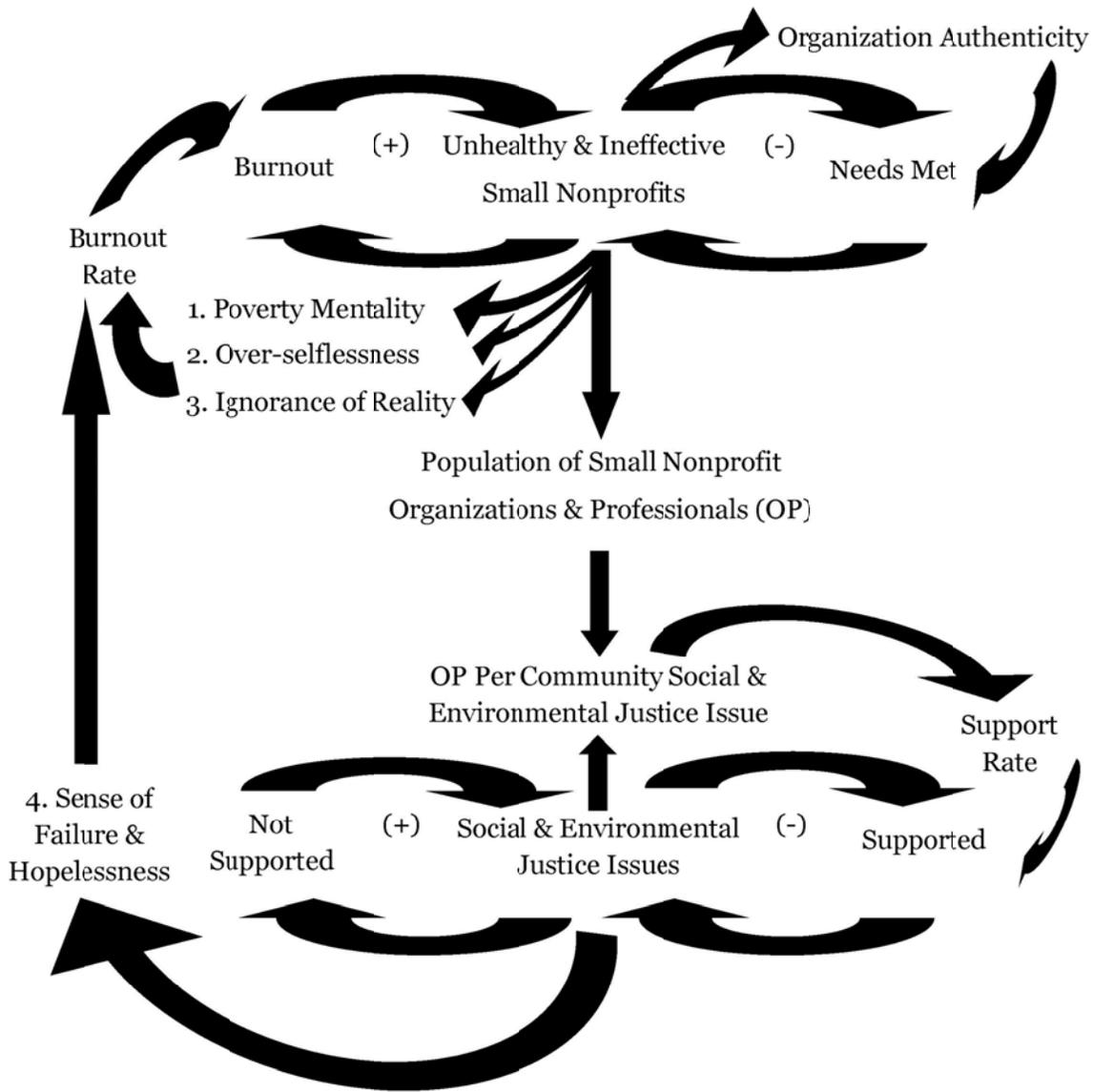
### **Personal Values and Experience**

The inspiration for this paper came from my work experience in nonprofits over the past five years. My time spent as Executive Director of a small nonprofit in San Diego was especially pertinent. I not only observed burnout in myself but also in many staff members and other community organizations. After contemplating the causes of burnout, I developed the driving factors listed above. Each of them has a deep resonance with me and was a source of great insight for my future as a nonprofit leader. The interventions were designed based on the wealth of wisdom I discovered this semester in systems theory and inner work.

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Figure 1. System Diagram of Burnout in Small Nonprofits



Note: The figure above shows the reinforcing, positive feedback of burnout and the balancing, negative feedback loop of needs met as it relates to unhealthy small nonprofits. This produces the total population of small nonprofits to support community social and environmental issues. The amount of issues, in turn, effects the level of failure and hopelessness which contributes to burnout as well.