THE RELATIONSHIP BETWEEN

PLANNING, TRANSFORMATIONAL LEADERSHIP AND

TRANSACTIONAL MANAGEMENT

BY

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THESIS

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This thesis is dedicated with love to my sons, Matt, Nick and Brian, to Terry Carmine, and to the memory of David J. Peterson.

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TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

TABLE OF CONTENTS (continued)

TABLE OF CONTENTS (continued)

TABLE OF CONTENTS (continued)

LIST OF TABLES

LIST OF TABLES (continued)

SUMMARY

This study was an attempt to further both theoretical and practical knowledge about the strategic planning, leadership, and management that takes place in homeless service providers. The primary research strategy was to identify some of the major differences in leadership styles and the emphasis on planning between more effective leaders and their less effective counterparts. This research emphasizes the relationship of planning, leadership, and management to the outcomes of effectiveness, satisfaction, and extra effort.

A modified version of the Multifactor Leadership (Self) Questionnaire 5X (Bass, 1993) was completed by 40 directors of homeless service organizations and the Multifactor Leadership (Rater) Questionnaire 5X (Bass, 1993) was completed by 146 staff and volunteers of these same homeless service organizations.

Although previous research has provided evidence that directors who demonstrate transformational traits have a strong relationship with the outcomes of effectiveness, satisfaction and extra effort, the multiple regression analysis used in this research also indicates there is a statistically stronger, positive relationship when planning is demonstrated along with transformational traits. This remains true regardless of the size of the organization or its length of time in existence.

A. Background

For at least the last 20 years, the number of homeless people has increased. Although at one time the image of homeless was that of out-of-work men who were drunkards or just lazy, we now know that the homeless are an eclectic group made up of not only men, but also women and children; individuals and families; young and old; drug addicts and drug free individuals of every race and religion; people from the suburbs as well as people in urban and rural areas.

Why are these diverse individuals homeless? The simple answer is that people become homeless for many reasons including poverty, misfortune, addictions, lack of low income housing, and mental illness.

What is being done to assist the homeless population? The homeless need and sometimes receive a variety of services including shelter, food, counseling, clothing, financial aid and other types of assistance through two primary sources - governmental and non profit agencies.

And just as the number of homeless has increased, so has the number of nonprofit organizations, from 739,000 to over 1 million between 1977 and 1992. Even though not all of these nonprofit organizations provide services to the homeless, the number of homeless service providers has increased as well. The IRS reports the number of 501(c)(3) organizations, charitable organizations, has increased more than 60 percent since 1977.

Yet research indicates that ever year as many as half of the homeless service providers, a portion of this 501(c)(3) category, close their doors, unable to meet the needs of an increasing population. Research offers four primary reasons for the demise of these organizations - size, youth, minimal sources of income, and high turnover of directors, staff and volunteers. Yet although we know the reasons for closure, the situation does not seem to be changing.

For every homeless service organization that closes, another open its doors and goes through the same frustrations. Both the ones that close and the ones that struggle to survive need assistance in many areas. Many directors of homeless service organizations, though well-intentioned and truly committed, don't have the necessary skill set. What can research offer these organizations to contribute to their success in serving a growing population in need? What follows is an attempt to integrate two schools of thought, one on planning and one on leadership and management, and apply this knowledge to homeless service providers.

Many questions arise from this integration. How do the realms of theory and practice come together in the everyday world of homeless service organizations? How do directors who want to improve organizational functioning strategically plan for changes? How can directors better understand and make the most of their own leadership style? What special challenges and opportunities do directors face from the necessity of working with diverse groups where no one organization is in charge, where there is no one source of funding? How do directors manage a large volunteer staff who work a few hours a week with a small paid staff. Are volunteers and staff satisfied with the performance of the directors of homeless service organizations? These are some of the questions which motivated this study.

Specifically, nonprofit social service organizations face a variety of external and internal weaknesses and threats. Shrinking budgets, multi-source funding, public skepticism, shared power, escalating social needs, increasing demand for limited resources and other conditions challenge organizations to strategically plan for their complex and often ambiguous missions. And yet as many as half (Bielefeld, 1994) of the programs fail within a few years. One wonders if they could have been saved. In the for-profit world the Department of Commerce keeps statistics on business failures. A simple fact they report is that most new businesses fail, and most of the failures are due to a lack of working capital and a lack of management skills.

Can this likely failure of forprofits also apply to the nonprofit world? Do they fail because of finances and poor management? One also wonders about the nonprofits that remain open, and therefore described as successful. How successful are they really? How well do they meet the needs of their clients? Do they make a difference in the lives of clients, staff and volunteers? Are they as effective as they can be?

It is my contention, based on the scholarly work of others, that directors of organizations, both forprofit and non profit, could benefit from effective planning, leadership, and management. I further believe that there is a relationship between a director's planning, leadership, and management acumen and how effective workers perceive a director to be, how satisfied workers are with the director and the organization, and finally how much extra effort workers are willing to put forth. Furthermore, effectiveness, satisfaction and extra effort can indicate and contribute to organizational success.

Yet although the business community has identified the importance of these three areas and spends valuable resources training executives on how to be better planners,

leaders, and managers, nonprofit organizations, commonly called and hereinafter referred to simply as nonprofits, have been slower to recognize the import and slower to react. As explained later, although there are similarities between forprofits and nonprofits, the differences between the two are critical. Yet both groups similarly benefit from solid planning, leadership, and management.

Literature on nonprofits has demonstrated the critical importance strategic planning has on a nonprofit's ability to achieve its goals, gain access to resources, and achieve a sustainable advantage (Bigelow, Middleton-Stone, and Arndt, 1996; Stone and Crittenden, 1993; Kearns, 1992). Directors of nonprofits need to be great planners (Conrad and Glenn, 1976; Espy, 1986), but planning has been an overlooked tool that nonprofits need to refine and make better use of (Bryce, 1992; Hay, 1991; Nutt and Backoff, 1994; Unterman and Davis, 1982; Waldo, 1986).

Although planning is critical, many other scholars feel the most important but least studied aspect of organizations is leadership. Ironically, the factor that ultimately determines which organizations succeed or fail is leadership (Bennis, 1987). It follows that effective directors of nonprofit homeless service organizations should understand the centrality of their leadership role and their need to accept responsibility as initiators of action to serve the mission of the organization in the most effective possible way.

In addition to planning and leading, directors must also be good managers (Bryson and Crosby, 1992) or at least surround themselves with good managers (Behn, 1991; Hunt, 1991). Establishing effective routines, making decisions, and coordinating with others are staples that every organization needs, but are also elements that may be lacking in some nonprofit organizations.

I feel strongly that planning, leadership, and management, although separate entities, synergistically empower organizations to reach higher potentials. For businesses that usually means greater profits and a greater place to work. For nonprofits that can mean making a bigger difference to those they serve and the problems their clientele face. But in order to facilitate change, directors of nonprofit homeless service organizations need to first understand the problem, as discussed in the following section.

B. Statement of the Problem

By its very nature, a nonprofit public-service oriented organization is often a complex web of humanitarian service to others, an intricate hierarchy of leaders and volunteers, and staff members of varying degrees of dedication. But it is often also an organization fraught with erratic sources of funding (Bielefeld, 1994), haphazard or non-existent planning (Firstenberg, 1979; Keating, 1979; Selby, 1978; Drucker, 1990a, 1990b; Greenberg, 1982; Hatten, 1982; Steiner, Gross, Ruffolo, and Murray, 1994; Kearns, Scarpino, 1996; Unterman and Davis, 1982), and reluctance to embrace the notion of shared power with other similar organizations (Bryson and Einsweiler, 1991). In addition, because of scandals and bad publicity, nonprofit organizations mission and accountability are under increasing scrutiny by the public, government, and business (Estes, Binney and Bergthold, 1989; Bielefeld, 1994).

The effectiveness of nonprofit organizations in providing services is often impaired by an array of problems ranging from imprecise goals and objectives to lack of effective planning, leadership, and management. Although a growing number of nonprofits are adopting some form of planning (Tobin, 1985; Wilkinson, 1985; Stone,

1989; Borrero, 1991) many if not most nonprofits tend to ignore much of the planning, leadership, and management needs of their organizations and focus instead on their mission as service providers to others (Firstenberg, 1979; Keating, 1979; Selby, 1978; Drucker, 1990a, 1990b; Greenberg, 1982; Hatten, 1982; Steiner, Gross, Ruffolo and Murray, 1994; Kearns, Scarpino, 1996; Unterman and Davis, 1982). Yet such a strategy can mar the very assistance that these organizations are attempting to provide to those in need. The challenge now facing the nonprofit sector is to balance its idealism and good intentions with sound management and planning practices (Kearns and Scarpino, 1996).

While there has been an increase in scholarly interest and writing on the subject of organizational shortcomings, leadership, and management, little of this has focused on nonprofit organizations (Cameron, Kim, and Whetten, 1987; Singh, House, and Tucker, 1986; Selle and Oymyr, 1992; Bielefeld,1994 are exceptions). Yet with the high failure rate of homeless service organizations, it seems logical to examine these issues in the nonprofit arena.

For quite some time scholars have called for nonprofit organizations to make a stronger commitment to a wide range of proven management technologies and process, with special emphasis on strategic planning and management systems (Firstenberg, 1979; Keating, 1979; Selby, 1978; Drucker, 1990a, 1990b; Greenberg, 1982; Hatten, 1982; Steiner, Gross, Ruffolo and Murray, 1994; Kearns, Scarpino, 1996; Unterman and Davis, 1982; Herman and Heimovics, 1990a; Knauft, Berger and Gray, 1991). Others have challenged nonprofits to identify and develop leaders (Nygren, Ukeritis, McClelland, and Hickman, 1994).

Some researchers contend that in order for nonprofits to be successful, their leaders must take a long-term strategic planning perspective, and be proactive, risktaking,

creative, and adaptive (Herman and Heimovics, 1991). Knauft, Berger and Gray (1991) also found that effective nonprofit leaders must take risks, focus on long-term strategic planning, and convey vision to others. Other characteristics necessary for successful nonprofit planning, leadership, and management include creating the organization's mission and inspiring others to accomplish the mission (Unterman and Davis, 1982; Nygren, Ukeritis, McClelland, and Hickman, 1994).

Yet these success factors aren't always in place and directors of nonprofits need to be able to deal with many variables. For example, directors of nonprofits have a relationship with board members that is described as strange and tangled (Middleton, 1987). The turnover of directors is notoriously high and they often must deal with a fragmented hierarchy (Allison, 1984; Deal and Kennedy, 1982). Funding cuts have increased the competition for funding (Nygren, Ukeritis, McClelland, Hickman, 1994) and many researchers have called for better strategic planning to increase the amount of donations (Marx, 1997; Garvin, 1982). There is a high turnover of staff and volunteers, increasing numbers of needy and a call for better leadership, and management skills (Gordon and Babchuk, 1959; Knoke and Wright-Isak, 1982; Pearce, 1988; and Puffer and Meindle, 1995).

Therefore, in spite of the success of some nonprofits, there is a need among most nonprofit organizations, including homeless service providers, to "resee" their entire operation. This self-examination process requires that homeless service providers scrutinize every facet of their organization, particularly their planning, leadership, and management, to better understand how effective they are (or are not). Such a self study can reveal the significance of the problem in nonprofit homeless service organizations.

C. Significance of the Problem

Consider the plight of the homeless in America and a complex picture emerges: there are multiple causes for homelessness, and the responsibility for homelessness is borne by many. Homelessness affects adults as well as children, and the duration of homelessness can be short-lived, somewhere in between, or semi-permanent. More importantly, however, there are no easy solutions (For example, Momeni, 1989; Bassuk and Rosenberg, 1988; Bassuk and Rosenberg, 1991; Burt, 1991, 1992; Chelimsky, 1991; Dennis, Levine, and Osher, 1991). While numerous "success" stories showing how places and programs have dealt with the problem of homelessness are documented, the continued increase in the number of homeless indicates changes still need to be made. These changes can focus on the multiple causes of homelessness as well as how we currently treat homelessness vis-à-vis homeless service providers.

It is well documented in the next chapter that the number of homeless continues to increase as does the number of organizations providing shelter and services. Yet each year many of these organizations must close their doors. Why? Of the homeless service organizations whose doors remain open, director and volunteer turnover due to dissatisfaction is notorious. Why?

Being a director of a homeless service organization can be challenging and defeating, altruistic and self-seeking. Many, if not most people enter the nonprofit arena because of a desire to do good. But the demands put on a director who is simply well-intentioned can be overwhelming. Competition for funding, for example, is extreme. It requires directors to plan strategies, manage limited resources efficiently and effectively and lead others through motivation. Government agencies as well as corporate

philanthropy want to donate to nonprofits who have plans, goals, and loyal followers. They want to see places that run smoothly and work with directors who have good people skills.

Directors of nonprofit organizations also depend primarily on volunteers to perform work. Although people volunteer for a variety of reasons, many do so because they feel it is the right thing to do. These are the volunteers who are most valuable - they show up and they perform. But they are also the volunteers who expect the most from the directors of the organization.

Everywhere directors of homeless service providers turn, they must work with people - staff, volunteers, donators, representatives from other nonprofit organizations as well as government agencies to serve the homeless. There is tremendous need for directors to be effective planners, leaders, and managers. Financial support alone cannot guarantee a successful organization, therefore homeless service providers are dependent upon directors who can plan, lead, and manage support services. And success depends not only on managerial competencies, but also on the ability of leaders to create a vision for the organization and inspire others to help achieve it (Nygren, Ukeritis, McClelland, and Hickman, 1994).

Incorporating what the above researchers have called for, the next section details a research project measuring planning, leadership, and management in a specific nonprofit setting - homeless service providers in the Chicagoland area.

D. Purpose of the study

At the Fannie Mae Annual Housing Conference in 1991, Peter Rossi was one of many who wrote and spoke of the knowledge deficiency regarding homelessness and solutions to homelessness. Rossi (1991) identified five main issues affecting homeless policy: magnitude, distribution, trends, policy formation and effectiveness. Effectiveness is one of three outcomes that this study focuses on. What is the effectiveness level of leaders of homeless programs and shelters? What role does planning play in the effectiveness of organizations? What interaction occurs when strong planning skills are combined with solid management skills? What interaction occurs when strong planning skills are combined with outstanding leadership ability? And just as interesting is what happens to effectiveness if strong planning is combined with weak management or leadership skills?

In conjunction with effectiveness are other outcomes that are equally important. Two that will be looked at further in this research are satisfaction and extra effort. Satisfaction focuses on how satisfied workers are with primarily the director's, but ultimately also the organization's performance. What role does planning, leadership or management play in how satisfied followers are with the director of the homeless service organization they are associated with? What happens to satisfaction when planning is combined with leadership or management skills?

Finally, also related to effectiveness, is the outcome of extra effort. Extra effort is described as the amount of additional effort a worker is willing to give as a result of planning, leadership, and management. Again, what role does planning, leadership or management play in how much effort followers are willing to put forward?

There is a small body of empirical research on strategic planning in nonprofit organizations that is beginning to explore fundamental questions about the catalysts for planning in nonprofit organizations, the types of planning processes followed, and the outcomes of those processes. With the exception of Webster and Wylie (1988), the empirical literature has not specified strategic planning as an independent variable impacting effectiveness, satisfaction and extra effort. But this literature is in an embryonic stage and has not been combined with other important elements such as leadership and management.

Leadership and management have been identified as variables having tremendous impact on effectiveness, satisfaction and extra effort. The specific distinctions between leadership and management are outlined in detail in the next chapter. Although clearly different, both have value for different reasons. Over the years many different styles of management and leadership have been identified and labeled. One popular school deals with trait theory, and one of the most accepted measures of traits, and the one used in this study, is the Transformational/Transactional Theory.

As explained in the next chapter, certain traits distinguish a transformational leader from a transactional leader. In general, a transformational leader motivates others to high levels of productivity, places much emphasis on vision, and generally, leads followers by arousing inspiration and devotion in them. A transformational leader also recognizes individual differences and treats different individuals uniquely. On the other hand, a transactional leader manages followers and is reward and performance driven, placing greater emphasis on procedures and getting things done.

Even though the traits differ for the transformational leader and the transactional leader, one can possess both sets of traits. In fact, the most effective leaders possess both

sets of traits. Research indicates that the more optimal profile of leadership is represented by a higher frequency of occurrence of behaviors associated with transformational leadership and contingent reward, a transactional factor (Bass, 1990; Atwater, and Yammarino, 1993; Yammarino, and Dubinsky, 1994).

One might expect this transformational, visionary individual to be an effective planner. Yet traditionally, it is the transactional leaders who emphasize the basic management principles of directing, controlling, organizing and planning. Yet unlike the transactional leader who is concerned with the details involved in developing plans, achieving goals and implementing plans, the transformational leader takes both a more visionary, strategic and a more human- interest approach to planning. As a planner, a transformational leader focuses on motivating and developing the skills of followers. In addition, the transformational leader is concerned with creating a vision and involving others in the planning and decision-making processes. In a homeless service organization the transformational leader, then, would seem to employ more democratic ways of managing than would a transactional leader.

Planning, and particularly strategic planning, requires that an organization look to its immediate (short-term) and future (long-term) goals and objectives, its problems, resources, and its expectations (Bryson and Crosby, 1992; Faludi, 1973;) in its effort to control social or collective uncertainty (Marris, 1982). Planning requires the rational assessment and anticipation of shared uncertainties (Hoch, 1994). Although since the mid-1970's strategic planning has been considered an important tool for nonprofits (Bryson, 1988; Conrad and Glenn, 1976), there has been reluctance to fully utilize strategic planning. Unterman and Davis (1982) are among many researchers who call for nonprofits to do more planning. They argue that not only have nonprofits failed to reach the strategic management stage of development, but many of them have failed to reach

even the strategic planning stages initiated by for-profits 20 years ago. Strategic planning implies an infrequent use of planning, whereas strategic management implies more of a commitment to formal planning that is institutionalized.

As with homeless service providers' reluctance at times to acknowledge that no one provider can solve the problem or meet all of the demand for services and that therefore, they must work together - shared power- some, perhaps many, organizations also deny the need for planning (Espy, 1986). Adhering to a self-imposed, highly frequent and highly consistent method of planning is a priority item and homeless service providers may see the benefits of planning, but don't necessarily make the time to do it (Powers, 1990). Planning necessitates that managers as leaders and leaders as managers plan and coordinate their efforts with other organizations to ensure greater possibilities for success.

Scholars such as James (1991) have identified the need for more knowledge on current programs and their effectiveness to create more effective preventive policy. Policy makers need information that is far more discriminating and complex than simple counts of homeless. Chelimsky (1991) also cites the need for data on program management and accountability: how practitioners and beneficiaries feel about the programs. Available research tells us very little about the impacts of strategic planning on organizational performance. In addition is the need for data on accountability: evaluating people, programs and outcomes.

This study attempts to meet some of these challenges by measuring the effectiveness of the chief executive officer in homeless service organizations as well as how satisfied workers are with the director's performance and how much extra effort workers are willing to put forth as a result of the director's performance. These three

dependent variables, effectiveness, satisfaction and extra effort are measured and correlated to three independent variables, planning, leadership, and management. The research attempts to answer three major research questions related to the need for more data on homeless service providers:

1. How do directors of homeless service organizations compare to leaders of other types of organizations in terms of transformational and transactional traits as well as the outcomes of effectiveness, satisfaction and extra effort? In other words, do the nonprofit directors scores differ significantly from the scores set by corporate managers in earlier studies using the same instrument? Or is there similar variation in that some of the service providers show better leadership or management and some show significant room for improvement, as is the case in previous research? How do the nonprofit directors compare with the forprofit managers? Are they as ineffective as some authors have claimed or are they something corporate managers should strive to be?

2. What is the relationship between each of the individual variables planning, leadership, and management and the outcomes of effectiveness, satisfaction and extra effort?

3. What is the relationship between the interaction of planning, leadership, and management and the outcomes of effectiveness, satisfaction and extra effort? Can strong planning compensate for weak leadership?

The impetus for this research is the combination of facts mentioned above. First, the number of homeless service organizations closing exceeds all other categories of nonprofit organizations. The primary reasons for closing include size, youth, minimal sources of income, and high turnover of directors, staff and volunteers. Funding and

turnover may be areas that are directly affected by the planning, leadership, and management skills of the director.

Perhaps planning, leadership, and management skills are interrelated concepts that collectively can lead to more effective homeless service organizations. The primary emphasis of this research, then, is to examine planning, leadership, and management in homeless service organizations. It is expected that nonprofit organizations, specifically homeless service providers, can be more effective and accomplish more by emphasizing planning, leadership, and management in their organizations rather than by only being committed to carrying out their services to their clients.

It is hoped that the results of this research can be used by homeless service organizations and other nonprofit institutions as a means of reducing the turnover of volunteers and staff; making better use of resources: financial, human, and time; improving the efficiency of services provided, increasing the interdependence of related agencies, and significantly reducing the number of people suffering from lack of shelter for a wide variety of reasons.

It is also hoped that this research will provide credible data that can be useful to policy makers to improve the delivery system and increase the focus not only on treating the problem, but preventing an increase in the homeless population in the future.

The next section examines the related literature on nonprofit organizations, homelessness, planning, leadership, and management. Following the literature review section will be an explanation of the methodology used in this research, findings of the research and lastly, conclusions regarding the impact of the research findings.

II. RELATED LITERATURE

A. Review of Related Literature

This section reviews the concepts and research on nonprofit organizations, homelessness, planning, leadership, and magement. My hypothesis is that nonprofit organizations, specifically homeless service providers, can be more effective and accomplish more by emphasizing planning, leadership, and management in their organizations rather than by only being committed to carrying out their service to their clients.

1. Nonprofit Organizations

To demonstrate the need directors of nonprofits have for planning, leadership, and management, we will first look at characteristics of nonprofits and clarify that although nonprofits are different from the business or corporate environment, there are indeed similarities as well as special challenges. There is also an abundance of research on the forprofit arena. Scholars, as indicated in the following section, make strong arguments for applying some of the forprofit findings to the nonprofit environment.

There are at least two basic kinds of nonprofit organizations: Philanthropic, public-service-oriented nonprofits whose purpose is to serve segments of the public at large, and mutual benefit organizations such as clubs, professional and trade associations whose purpose is to serve the needs of their own members (O'Neill and Young, 1988). This research focuses on the philanthropic, public-service-oriented nonprofits.

Most of the philanthropic, public service nonprofits are small (Hodgkinson, Weitzman, Toppe, and Noga, 1992; Roller, 1996; Bielefeld, 1994) and many have highly invisible organizational structures (Kushner and Poole, 1996). Most also depend on the external environment for their clients, funding, and legitimacy (Gidron and Hasenfeld, 1995).

The number of nonprofits as well as the number of people served by nonprofits has risen over the years, as has the number of paid staff and volunteers of these organizations. More Americans now participate in the activities of nonprofit organizations than ever before. And as researchers and consultants have spent a great deal of time analyzing business leadership, it is now important to focus attention on the leadership of nonprofit associations. "Human service managers must be leaders" (Garner, 1989, P 12).

Yet knowledge and research on planning, leadership, and management of for-profit corporations far exceeds research about nonprofit organizations. More recently, however, some scholars and authors have contrasted and compared nonprofit organizations with forprofit organizations, emphasizing the strengths of each and what each can learn from the other (Kotler and Andreasen, 1995; Drucker, 1989; Byrne, 1990; Cates, 1990).

a. Similarities between non-profit and for-profit organizations

Experience, observation and logic allow us to state that not-for-profit's and the forprofit sector have many operational similarities: physical facilities, tax issues, legal issues, "customers," administration, utility bills, etc. Operationally, for example, a shelter could be compared to a small business because many nonprofit social service

organizations are relatively small ranging from a single employee or a handful of employees or volunteers (Roller, 1996;) to a large number of volunteers and staff.

Nonprofit organizations rely heavily on people employed in business and public organizations to serve as volunteers and fill key roles and provide needed expertise. In addition, senior executives of prestigious corporations regularly serve on the boards of directors of nonprofit and other voluntary organizations. (Puffer, 1995).

Both nonprofits and forprofits need to be managed well in order to achieve results. Both are working within limited budgets to develop programs and services for groups of people. Workers in both types of organizations need goals, direction, plans and leadership. Both also operate within a highly changeable environment, are rewarded for success and penalized for less than optimal performance (Dabbs, 1991). But there are also very important differences.

b. Differences between nonprofit and forprofit organizations

While the similarities are interesting, the differences are important since my main issues - planning, leadership, and management - are most impacted by nonprofit qualities and characteristics. For example, money and funding always impacts planning, leadership, and management. By understanding the special characteristics of nonprofits - volunteers, small size, turnover, etc. - we can get a better view of the special needs of the directors of nonprofits.

Despite the similarities, nonprofit organizations differ from forprofits in several ways. The differences most commonly cited are in 1) the roles and relations of boards and executives (Powers, 1990; Herman and Heimovics, 1990a), 2) sources of funding and

financial constraints (Powers, 1990; Herman and Heimovics, 1990b), and 3) reliance on volunteers for program delivery (Powers, 1990; Herman and Heimovics, 1990b; Cayer & Weschler, 1988; Denhart, 1984; Eddy, 1981)).

The perception of a nonprofit organization is one that is highly structured with a board of directors, who establish policy, overseeing a chief executive officer, who manages others to assist the organization in achieving its efforts (Herman, Heimovics, 1990a; Pfeffer, 1982). However actual performance of boards often seems to fall short of the ideal and the relationship with chief executives is more accurately described as "strange . . . and tangled" (Middleton, 1987, p. 149). Since board members typically have multiple motives for joining boards (Widmer, 1985) there are often conflicting values and ambiguous goals (Herman and Heimovics, 1990a). There is often frequent turnover of executive leadership and fragmented managerial hierarchies (Allison, 1984; Deal & Kennedy, 1982; Eddy, 1981), multiple competing actors and interest groups and shifting coalitions requiring negotiated choices (Allison, 1971; Deal & Kennedy, 1982).

Historically nonprofits have relied on three main types of financial support: government subsidies or grants, corporate giving, and private donations (Kotler and Andreasen, 1995). Some nonprofits have added sales, such as calendars, second-hand merchandise, etc. as well as hosting benefits or auctions or similar such fund-raisers to supplement income.

Salamon (1995) and Pynes (1997) report that government has become the single most important source of income for most types of nonprofit organizations, by roughly two to one. Pynes (1997) Lipsky and Rathgeb Smith (1989-1990) confirm that most nonprofit organizations depend on government for over half of their revenues; for smaller agencies, government support may be their entire budget. Data from the Urban Nonprofit

Sector Project (1982) show that nonprofit organizations account for 42 percent share of all human services organizations receiving government funding.

But government funding cuts have increased the competition for funding in the nonprofit sector (Nygren, Ukeritis, McClelland, Hickman, 1994). Corporate contributions to health and human services as a percentage of total corporate philanthropy, have dropped from a high of 42 percent of giving in 1972 to 25.3 percent in 1994. In other words a drop of close to 17 percent (Marx, 1997; Tilman, 1995; Platzer, 1988). Competition for corporate philanthropy has increased substantially as the number of nonprofit organizations has increased. This means that homeless shelters and service providers looking for ways to raise funds must also consciously plan strategies to ensure continued, and hopefully increased, outside support as well as conscientiously plan how to serve their clientele.

Many organizations compete for and share resources, not only those from governmental agencies, but also from philanthropy, both personal and corporate. Ironically the successful nonprofits, such as United Way, may be making life difficult for smaller, independent nonprofits who are not part of a larger umbrella organization. The percentage of public support ranged from 12 percent to 50 percent in such fields as social services, health, employment and training, housing and community development, arts, culture and recreation (Salamon, 1987).

Several authors (Marx, 1997; Garvin, 1982; Alexander and Alexander, 1982; Jones, 1982, Troy, 1986) have also identified the need for strategic planning in order to retain and increase the amount of corporate donations to nonprofits. Without well-thought out plans, corporations are hesitant to donate money. They want to know how organizations will spend donations as well as what their overall goals and strategies are.

Nonprofit homeless shelters and homeless service providers also differ from forprofit organizations in their quest to meet social need rather than economic gain (Kotler and Andreasen, 1995). Staff and volunteers in nonprofits are usually deeply committed to helping others. Leaders of these organizations and programs have the responsibility to themselves, their organization, their staff and volunteers, their board and their clients to assist those in need. It is the leaders who are accountable for the results of the organization.

The nonprofit work-force is made up of paid staff and many volunteers who want to contribute, to give back something to those less fortunate (O'Neill & Young, 1988; Bryson and Crosby, 1992). Between 1977 and 1994, the number of paid employees hired by the nonprofit sector nearly doubled, to nearly 10 million (Hodgkinson and Weitzman, 1996). The more effective non-profit organizations expect everyone, including volunteers, to work hard by their leaders setting high expectations that are performance based. These organizations tend to attract and keep volunteers (Drucker, 1990a). Many of the homeless shelters and service providers rely more on volunteers than on paid staff (Geber, 1991). More than half of the nonprofit sector's 90 million volunteers are women (Hodgkinson and Weitzman, 1993; Hodgkinson, Weitzman, Toppe, and Noga, 1992).

Nonprofit organizations must be able to control, coordinate and integrate the activities of a diverse, loosely connected set of volunteers who contribute their talents and efforts for altruistic organizational goals and missions (Gordon and Babchuk, 1959; Knoke and Wright-Isak, 1982; Pearce, Freeman, and Robinson, 1987; Puffer and Meindl, 1995).

People volunteer for a variety of reasons, including concern for others taking precedence over concern for oneself (Puffer, 1987) and being empathically moved in

response to observing people in need of help (Puffer and Meindl, 1995). Agency administrators are well aware of the importance of assessing people's motivations for volunteering in order to predict their effectiveness (Clary, Snyder, and Ridge, 1992; Moyer, 1990; Shure, 1991). Schindler-Rainman and Lipitt (1977) suggest that while people volunteer because they feel it is a good thing to do, they also are more demanding: they want more input into what they are doing. This puts more pressure on nonprofit organizations to improve their management and leadership of the nonprofit organizations.

For many, if not most, volunteering is a sideline, an avocation worthy and laudable, valuable and useful, but not one's livelihood (Kotler and Andreasen, 1995). Consequently the degree of involvement is less than if the work were necessary to earn a paycheck to feed a family (Drucker, 1990c). A universal complaint from managers who work with volunteers is that they are unreliable (Mirvis, 1992: Kotler and Andreasen, 1995). A "rule of thirds" is commonly mentioned with regard to nonprofit volunteers: at one extreme is the one-third that is highly motivated and responsive, at the other extreme is the one third who only want to tell their friends that they volunteer and seldom appear for work. The middle third is the group that can go either way, depending on how well they are motivated, managed and led (Kotler and Andreasen, 1995).

From personal experience working in a shelter, I see many volunteers come in late and/or leave early from their shifts, call in late to say they can't come in, and go off the schedule as personal needs arise. In other words it is not as important to them to show up for their shift as it would be to show up for their job. In the job market this type of action would call for dismissal. In the nonprofit arena, this is accepted as part of the nature of the workers. Yet the volunteers continue to act as volunteers because they believe that their participation helps the organization, and they give what they can. As is common in

any volunteer effort, good intentions and good will are taken for good work--regardless of the outcome.

Recruiting, retaining and managing volunteers is a time-consuming task. (Schindler-Rainman and Lippitt, 1977; Nations, 1993; Tucker and McCoy, 1989). The Gallup study (1992) outlined key sources of dissatisfaction from volunteers that causes them to drop out of the organization. The factors that frequently surface include unreal expectations when volunteering, lack of feedback from clients and management, and lack of training and supervision. Beside the difficulties that nonprofit organizations face, there are also special challenges that must be met.

2. Special challenges involving planning, leadership, and management in nonprofit organizations

Not only are the differences important to the hypotheses, but the many special challenges faced by nonprofits need to be reviewed. Again, since many of these challenges are directed at directors particularly, we need to see what's been researched and discovered to date. The four primary challenges that face nonprofit organizations are outlined below. These also create additional challenges to the planning, leadership, and management of the nonprofit organization.

a. Challenges to nonprofits

Among the special challenges facing the chief executive of nonprofit human service organizations are the issues of 1) pursuing a social, rather than a profit, mission, 2) determining and measuring effectiveness, 3) sharing power, and 4) being accountable to many people and organizations.

Nonprofit organizations do not have a "profit" bottom line and sometimes have difficulty identifying what is their bottom line. Nonprofit institutions pursue a mission that is somewhat more complex than forprofits. The service constituency or cause is of primary concern and not subservient to profit making (O'Neill & Young, 1988). These organizations are led and staffed by highly altruistic people who want to do good and help others. Some do very well; others lack training and development and probably are not achieving the level of effectiveness they would like to. Operating in a turbulent environment with unstable funding, increasing numbers of needy, demanding constituencies, and relatively large numbers of volunteers, it is no wonder that some of these organizations are considered weak in leadership and oftentimes lacking in focus and evaluation practices (Powers, 1990).

Researchers have suggested for years that few nonprofit organizations are considered to be managed, much less well led (Bryson and Crosby, 1992). When one thinks of organizations that are poorly managed over the long term, have few or no long-term goals, one probably thinks of nonprofit organizations (Wortman, 1979).

Nonprofit organizations also differ from forprofit institutions in terms of how success or effectiveness is measured. For example, since a nonprofit exists to render a public service, its success is generally measured by how well it performs the service rather than by financial performance (Anthony, 1977; Conrad and Glenn, 1976; Drucker, 1977; Hansmann, 1987; Green and Griesinger, 1996).

Nonprofits operate in a shared power situation - no one organization or institution is in a position to find and implement solutions to problems that confront society (Bryson and Crosby, 1992). Often no one is in charge (Cleveland,1973, 1985) when it comes to

helping the needy. Thus as organizations vie for attention for their causes and revenue, they must also compete for authority in addressing needs of multiple agencies. Which is the legitimate, authoritative provider? Funding agencies (private or municipal) faced with, in effect, competing claimants, don't know what to do.

Because nonprofits can rarely act unilaterally; and are interdependent among each other as well as also being highly interdependent with government and business agencies, the planning process usually is much slower. The planning seldom follows a step-by-step, sequential process (Bryson and Crosby, 1992) because of the need to disseminate information to multiple actors and get buy-in from these competing organizations before action can be taken. This will be discussed further in the planning section of this chapter.

As previously mentioned, most nonprofits are small. It becomes more critical for numerous small nonprofit organizations to work together than it is for larger, more independent organizations. Yet in small organizations there can be poorer performance of management functions, due to the lesser degree of specialization (managers must play more roles) and the lesser experience and skill of managers (Cook, 1988). Also, small nonprofits often do not recognize the value of improving the management and leadership of their organization. This is due in part because they are so impassioned with their cause they focus solely on it. With that in mind, they skimp on operational management costs, including strategic planning (Cook, 1988). This contributes to higher leadership turnover in small nonprofits as well (Allison, 1984; Deal & Kennedy, 1982; Eddy, 1981; Cook, 1988).

Although small, nonprofit managers still need to cope with the challenges of goal ambiguity, multiple constituencies and limited staff support. Smallness also influences the managerial and leadership skills that the administrator needs. Under a certain size,

nonprofits can often be managed by a generalist who does not possess advanced management or leadership skills. Over a certain size, nonprofits may need someone with the skill necessary to deal with administrative complexity and coordination requirements, as well as multiple sources of endowments and funding (O'Neill and Young, 1988).

Since nonprofit organizations rely heavily on funding from many outside sources, they often need to document how they spend their budgets and what accomplishments their organization and programs have achieved. They need to justify their activities to multiple sponsors as well as many client groups, usually through a strict objective performance audit rigorously conducted by a state control or regulatory agency. But that does not necessarily document how effective the organization is (Roller, 1996).

To summarize, pursuit of a social, rather than a profit mission, unclear means of measuring success, interdependence with other agencies and accountability to multiple stakeholders all create special challenges affecting nonprofit organizations. How these challenges are met involves the planning, leadership, and management of the organization.

b. Meeting the planning, leadership, and management challenge

The context in which most nonprofit directors operate has been reviewed. Now it is time to review the literature on my key terms - planning, leadership, and management. Although some research has been done on these elements within a nonprofit context, much more is available in the business environment (Meyer, 1995).

Considering the range of problems facing any organization (profit or non) compounded by the special challenges faced by non-profit human services, we must be

amazed that many shelters are indeed successfully run, managed and led. What makes for such successful nonprofit leaders? Nonprofits have discovered that they need to manage well for a variety of reasons. They do not have the discipline a bottom line provides. In addition, financial pressures have escalated: there have been cutbacks in federal aid, tax law changes that have hurt gift-giving, and increased competition from new organizations with specialized purposes such as Aids and Alzheimer's.

Formal planning techniques for nonprofit organizations are numerous (Siciliano, 1997; Barry, 1986; Bryson, 1988; Hardy, 1984; Unterman and Davis, 1982), but the empirical research pertaining to planning and performance has been limited and problematic (Siciliano, 1997; Stone and Brush, 1992). However, this research does suggest positive relationships between planning and performance (Van de Ven, 1980; Odom and Boxx, 1988; Crittenden, Crittenden, and Hunt, 1988; Barry, 1986; Bryce, 1992; Bryson, 1988; Hay, 1991; Siciliano, 1997). Odom and Boxx (1988) found that churches experiencing growing congregations tend to be more formal planners. Crittenden, Crittenden, and Hunt (1988) have suggested that even those nonprofits who include only some parts of planning are able to achieve higher levels of funding.

The increasing number of nonprofit providers requires nonprofit leaders to manage more efficiently and more effectively (Nygren, Ukeritis, McClelland and Hickman, 1994). Yet most of the leaders of the 970,000 nonprofit organizations in the United States do not undergo management training (O'Neil and Young, 1988; Kotler and Andreasen, 1995). Most start out as activists and volunteers whose commitment and involvement ultimately lead to a management job (Garner, 1989). Many of the nonprofit leaders are self-taught. They read and study books on business and management (Byrne, 1990) and planning.

A number of authors have acknowledged a shift in attention towards better management and planning of nonprofit organizations (Wolch and Rocha, 1993; Borrero, 1991; Tobin, 1985; Wilkinson, 1935; Stone, 1989; Powers, 1990; Espy 1986; Herman, 1989; and Hodgetts and Wortman, 1980). The attention has been focused on issues such as selection, motivation, and leadership styles to issues of planning, policy, and strategy (Powers, 1990; Walker, 1983).

Although management was once regarded by nonprofit purists as an obscenity (Byrne, 1990), now nonprofits are more committed to planning, leading, and managing organizations effectively. And some of them are quite good at it. So good, in fact, that some nonprofit leaders are being touted in the press and courted by industry to take over the leadership of forprofit organizations.

Organizations such as the Girl Scouts, Salvation Army, Planned Parenthood, Children's Defense Fund, and Family Service America are some of the high profile nonprofits that have achieved extraordinary success and public recognition. These are considered some of the best run nonprofit organizations around (Byrne, 1990). Leaders of these organizations are credited with a variety of accomplishments including raising the number of members by astronomical numbers, stretching limited resources to growing numbers of clientele, developing and empowering staff and volunteers, increasing financial support from government agencies as well as donations by record-setting numbers, and more.

One nonprofit leader is the former president of Planned Parenthood Federation, Faye Wattleton, who has been named by many management guru's such as Drucker, Bennis, Covey and others as one of the top leaders, profit and nonprofit, in America today, and one that executives throughout the country should try to emulate (Bryne,

1990). Her methods have been studied and are being taught at some of the most traditional, capitalistic forprofit institutions including the business schools at Harvard, Stanford and Wharton.

Although it appears evident that there are a growing number of nonprofits that have embraced the ideas and principles involved in planning, managing and leading more effectively, it is by no means assumed that all nonprofits are this successful. Just as there are many different levels of success in forprofits, it is reasonable to expect there to be as much variation in nonprofits.

There is also current evidence that indicates that nonprofit organizations are finally turning to people with business backgrounds to assume top management positions, presumably for their leadership skills (Simons, 1991). The rationale for this is that the skills that transform companies into profitable, well-led concerns can be beneficial for nonprofit organizations trying to serve community needs on limited budgets with many non-paid volunteers. This recognition of the necessity of clear-headed management and solid leadership in nonprofits may be a sign that NFP's may be more receptive to learning about, requesting and using management education in their efforts.

Because professionals are a highly valued yet scarce resource, nonprofit agency administrators are concerned with finding effective ways of attracting and retaining them and ensuring that they perform their activities effectively. Although research literature is rich with references regarding board members and: their effectiveness, legal and moral responsibilities, recruiting and retention, degree of involvement, effect on mission, etc., there is a scarcity of research on the effectiveness of the director of the nonprofit organization, specifically that of homeless shelters.

c. Measuring the effectiveness challenge in nonprofit organizations

The literature of nonprofits, their similarities and differences, and management issues in a nonprofit context has been reviewed, so that we can have a good deal of background on the issue, as well as, perhaps, a framework. But ultimately outcomes of nonprofits must be measured in order to compare and contrast styles of planning, leadership, and management. We must now turn to the many methods of measuring effectiveness - of planning, leadership, and management and the nonprofit itself.

Organizational researchers find the concept of effectiveness problematic (Green and Griesinger, 1996). Drucker (1974, p. 45) said "Effectiveness is doing the right things."[1] Two obvious questions are, who determines what is right and how do we measure what is right? Multiple constituencies often cannot agree on factors or weights underlying such evaluative judgments (Cameron and Whetten, 1983; Zammuto, 1984, Green and Griesinger, 1996).

Rossi and Freeman (1989) and Lindblom, (1991) are among many experts who have called for evaluation research focusing on measuring effectiveness of organizations, programs and, therefore, planning, leadership, and management

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Yet literature on accountability and effectiveness in the nonprofit sector has been well behind that in many other areas (Kearns, 1994), however there is increased interest in measuring effectiveness and the value-added performance of management in nonprofit

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[1] This same quote was used 15 years later, but uses the terms management and leadership instead of efficiency and effectiveness.

organizations in terms of outcomes and impacts (Kanter and Summers, 1987; O'Connell, 1988; Drucker, 1990; Stewart, 1976: Kearns, 1994).

There are several schools of thought on measuring nonprofit effectiveness. First, the goal model of effectiveness assumes that an organization's purposes and goals are known and that effectiveness is measured by the degree of goal attainment (Campbell, 1977; Denison, 1990; Quinn and Rohrbaugh, 1983; Seashore, 1983; Stewart, 1976; Van de Ven and Ferry, 1980). Kushner and Poole (1996) modified this somewhat in that the effectiveness of nonprofit organizations normally compare organizational performance to existing standards and to the performance of other organizations.

Another school of thought is what Seashore (1983) refers to as the natural systems model. This model describes effectiveness of an organization as being determined by its continuing ability to acquire from its environment the necessary resources to sustain its functioning. In other words, organizations are effective if they receive the resources needed to deliver service. Although receiving funding is important, this model does not adequately reflect the purpose that homeless service providers were established, so this research mirrors more of the goal based model.

The relationship between an organization's planning, leadership, and management and the organization's effectiveness is often ambiguous. The relationship as it applies to nonprofit organizations is not well documented in research or articles (Penn, 1991; Powell, 1987; Green and Griesinger, 1996). Most research has been focused on organizational effectiveness and board practices (Bradshaw, Murray, and Wolpin, 1992; Chait, Holland and Taylor, 1991; Fletcher,1992; Green and Griesinger, 1996; Herman, Renz, and Heimovics, 1997). Since there is frequently a gap between the expectations and actual performance of nonprofit boards (Heimovics and Herman, 1995), it becomes

the responsibility of chief executives to work with boards to improve performance (Herman and Heimovics, 1990a). The chief executive officer's relationship to the board and to the board's effectiveness has consistently been found to be important (Drucker, 1990c; Fletcher, 1992; Herman and Heimovics, 1990b, 1991; Saidel and Harlan, 1995).

Several scholars (Green and Griesinger,1996; Bradshaw, Murrary, and Wolpin, 1992; and Siciliano, 1990) report that boards of effective organizations were more involved in policy formation, short-term strategic planning and long-term strategic planning than were boards of less effective organizations.

There are several board practices involving the chief executive officer (director) that have been positively correlated with organizational effectiveness. For example, boards rated as higher than average in effectiveness are more likely to have a formal process for evaluating the performance of the CEO (Herman, Renz, and Heimovics, 1997; Green and Griesinger, 1996). Also, Green and Griesinger (1996) found that CEO's may have a better grasp of the performance of their boards than any individual board member, and this is positively correlated to organizational effectiveness.

Directors impact on the effectiveness of an organization is also important. Directors of nonprofit organizations face the challenge of engaging in organizational design and construction by creating and filling positions, and combining paid staff with volunteers. They may concentrate decision making for key areas of strategy in small groups or with many varied parties (Kushner and Poole, 1996). Organizational design and implementation are core management responsibilities and can have enormous consequences for organizational effectiveness. In homeless service agencies the top of this hierarchy is the chief executive officer or director.

Kushner and Poole (1996) describe organizational structure as a policy area in which managers manipulate design to coordinate activity and achieve strategic purpose. Chandler (1962), Galbraith and Nathanson (1978) and Miles and Snow (1978) have pointed out the need for strategy and structure to be linked to achieve superior performance in business organizations.

In summary, researchers have identified the need for nonprofits to measure how effective they are. To date there has been some attempt to do this. Most of this research has focused on the board, not the director of the organization. And most, if not all, of this research has not measured effectiveness from the eyes of the people who work there. Also, there appears to be a lack of research on the effects planning, leadership, and management have on the effectiveness of the organization.

d. Measuring the satisfaction challenge in nonprofits

Wheeler (1976) called for more research on measuring job satisfaction as a dependent variable in organizations. Many studies of satisfaction have focused on dissatisfaction as a dependent variable. In fact, most studies of turnover examine the direct relationship between job satisfaction and turnover (Podsakoff, MacKenzie, Morman, and Fetter, 1990). Reviews of the literature on the relationship between employee turnover and job satisfaction have reported a consistent negative relationship (Brayfield and Crockett, 1955; Locke, 1976; Porter and Steers, 1973; Vroom, 1964; Steers and Rhodes, 1987).

Although some volunteers and/or paid staff may quit due to dissatisfaction at work, other forms of withdrawal that are less extreme are still damaging to the organization (Puffer, 1991; Meindl, 1989). Absenteeism and passive job behavior are

also possible consequences of dissatisfaction (Steers and Rhodes, 1987; Brayfield and Crockett, 1955; Kraut, 1975).

e. measuring the extra effort challenge in nonprofits

The effort that followers put forth is a result of many factors including individual choice, peer norms, nature of the task or job, and the level of desire to please the supervisor (Porter, Lawler, and Hackman, 1975). Lawler and Hackman (1969) also found that the level of participation in planning and decision making had significant effect on the amount of effort (or extra effort) an individual is willing to put forth.

In nonprofit organizations, the amount of extra effort that a staff person or volunteer puts forward may involve other factors as well. Bass (1990) and others have also shown that extra effort is correlated to leadership and management. To date, there has been no research to determine if there is also a correlation to planning.

3. Nonprofit planning, leadership, and management

Herman and Heimovics (1990b) distinguish between nonprofit managers (people concerned with procedures, with doing things right) and leaders (people with a vision of what should be done and the stuff to inspire others). As previously mentioned, historically the majority of nonprofits have not taken advantage of what those in the business sector have emphasized: improving planning, leadership, and management skills can increase the bottom line, whether the bottom line is profit or a social mission. McClendon and Quay (1988) conclude that the management innovation schemes utilized

in business could also be useful to the public sector (Hoch, 1994). Nonprofit homeless service shelters clearly need effective planning, leadership, and management which will be briefly defined.

I will next attempt to define and survey the literature on these terms abstractly, that is, not yet categorizing styles or types. As we will see, for example, leadership as a concept needs to be reviewed before styles can be identified, much less those styles compared, contrasted, and evaluated.

a. Planning defined and applied to nonprofits

Although differences in opinion exist as to an exact definition of planning and what constitutes planning activities, planning is described as the application of scientific method to policy-making (Faludi, 1973), and the conscious effort to increase the validity of policies in terms of the present and anticipated future (Quade, 1968; and Beer, 1966; and others). Although planning is a process, commonsense and experience indicate that it is a process some people like to participate in, and one that others do not. It is also a process that some people are good at and others are not. In everyday life we sometimes describe people as being planners, implying that it is a characteristic of an individual. For purposes of this research, we will look at planning as a step-by-step process, but one that individuals may perform infrequently to constantly.

Planning focuses on future uncertainties: coming up with reasonable alternatives for long term conditions, problems, and expectations. Planning can be described as comprehensive if it indicates the principal acts by which all of the most important ends are to be attained, or partial if it indicates how some but not all of the most important ends are to be attained (Banfield, 1959).

Faludi (1973), Banfield (1959), Simon (1955) and others identify the planning process as including three levels: first, the selection of ends and criteria; second, the identification of a set of alternatives consistent with the ends and a selection of a desired alternatives; and, third, guidance of action toward determined ends. Planning can be viewed as ". . . the organization of hope" (Stephen Blum, quoted in Forester, 1989, p. 20).

Although planning can be an ambiguous term with a variety of meanings and interpretations, activities and functions, one type of planning that leaders of forprofits and nonprofits utilize is strategic planning. Strategic planning typically focuses on an organization and what it should do. The objective of strategic planning is to find the best fit between an organization and its environment based on an intimate understanding of both.

The systems theory of strategic planning focuses on environmental conditions and their impact on organizational change and strategic choice (Pfeffer and Salancik, 1978). An important element of this approach is the role of executive leadership, guiding the strategic choices organizations make (Child, 1972; Daft and Wick, 1984; Levy, 1985).

Although research on planning in nonprofit institutions is at an embryonic stage, the literature that exists suggests that planning is not always performed. For example, Webster and Wylie (1988) found that of the directors of nonprofits who use strategic planning, they do so because they are required to do so, not because they prefer to do so. Surprisingly, other factors such as size of the organization, availability of resources and perceptions of competition were not powerful predictors of whether an agency engaged in strategic planning. This research also found that the planning step receiving the least

attention was external analysis. In another study of planning, Jenster and Overstreet (1990) found that only 35 precent of nonprofits engaged in formal long-range planning.

Siciliano (1990, 1997) and Webster and Wylie (1988) have called for directors to be more involved in planning activities. Quite a bit of research exists on the involvement of boards of directors in terms of planning. For example, nonprofit organizations rely on their boards to assume a strong planning role (Duca, 1986; Louden, 1982; Metter, 1988; Mott, 1984). It is unusual in that these members are part of the organization and the environment that planning analyzes. (Middleton, 1987). It is arguable that assigning the process of strategic planning to the full board does not facilitate comprehension of the issues (Hardy, 1984; Henke, 1986; Unterman and Davis, 1982). Alternative suggestions include a distinct strategic planning committee (Andrews, 1981; Hardy, 1984; Wommack, 1979) or including planning as part of the responsibility of the executive committee of the board (Duca, 1986; Hardy, 1984) or using consultants (Robinson, 1982; Ruffolo, Murray, Steiner and Gross, 1994). Although O'Connell (1985, p. 82), cautions against using professional planners "since they usually scare voluntary agencies away from sensible beginnings by making planning sound more involved than it really needs to be," there is no evidence of this dysfunction.

b. Leadership/Transformational defined and applied to nonprofits

There is no precise or "correct" definition of leadership, although there are more than 400 various definitions or descriptions of it (Bennis, 1990). Although there are many guides and resources that use the word "leadership" in their title, there is emphasis on management and a notable absence on true leadership dimensions.

However, leadership is commonly described as being more spiritual than management (Covey, 1989; Kotter, 1988; Kotler, 1991; Bennis, 1987; Drucker, 1990). and includes characteristics charisma, vision, source of inspiration, motivator, coach and nurturer (Bennis, 1990; Kotter, 1990; Drucker, 1990b; Covey,1991). These same characteristics are used by Bass and others to describe transformational leadership. Therefore for the remainder of this work we will use both terms synonymously. Transformational is explained in much more detail later in this chapter.

If we turn our attention to leadership in nonprofit organizations we are aware that turnover of directors or chief executive officers in nonprofits is quite high (Allison, 1984; Deal and Kennedy, 1982; Eddy, 1981; Cook, 1988). Many nonprofit leaders are also criticized as being poor or ineffective leaders. Napler and Gershenfeld (1985) have pointed out that the biggest challenge is convincing those individuals locked into ineffective patterns of leadership that both they and the group they service will benefit from the adoption of new leadership approaches.

Nonprofit managers need not only the planning skills to understand the environments in which their organization operates, the alternative courses of action they can take, and the implications of those actions, but also the people skills with which to deal effectively with staff, volunteers, clients and supporters. (O'Neill and Young, 1988).

If leaders are to succeed in a nonprofit organization and avoid burnout, then determining which management/leadership style is most effective in this setting can be crucial. Although nonprofits may survive with their existing styles of leadership, survival alone is not what many of these organizations strive for. For others, however, survival may be enough (Simons, 1991). If we can apply what has been learned about

management and leadership to nonprofits, we may be able to improve the quality and effectiveness of the nonprofit organization (Inkson and Moss, 1993).

Nonprofit services directly impact the quality of life in a community. If the quality or quantity of such services might be improved with better understanding of leadership, then additional leadership research specific to nonprofits is essential. Yet skeptics might argue that with all of the work that has already be done on leadership, why are so few nonprofits doing anything about it? Probably because how to actually go about successfully leading it is still a mystery to most nonprofit organizations (Powers, 1990).

Homeless service organizations require external support for their existence. As important as financial contributions is the need for strong member and volunteer support. Without a significant number of volunteers, homeless service organizations cannot survive. To gain this support, volunteers must believe their contribution has meaning and importance for the good of the clients served as well as the collective good of society (Grunig, 1989). Sources of financial contributions and volunteers look to the leader of the organization for this communication and meaning.

These service providers work within a network of other nonprofit organizations for the common good. Although each of the organizations is a separate entity, they join forces for the goals of aiding homeless people. But they will, of course, have differences of opinion, and conflict, on courses of action, policies and procedures. Yet in order to coordinate actions and provide treatment and prevention programs that make progress on the problem, homeless service organizations need high levels of leadership and management.

c. Management/Transactional defined and applied to nonprofits

Management can be defined as the process undertaken to coordinate the activities of other persons to achieve results not attainable by any one person acting alone (Ivancevich, Donnelly and Gibbon, 1989). The process of management consists of certain basic functions. Although it is an integrated whole, it can be described using the functions of planning, organizing, directing and controlling (Ivancevich et al, 1989; Bateman and Zeithaml, 1990). Although the term planning has been used as a function of management for decades, the term is not synonymous with 'planning as described above. In management, planning is more short-term, and focuses on creating plans of action. Planning, the scientific method to policy-making described previously, and particularly strategic planning, focuses on long-term plans that are the result of evaluating future uncertainties and is comprehensive in nature. Although they are quite similar, there are distinct differences and for this study I have focused on those differences and deal with planning as an area independent to leadership and management. To further explore the functions of management, we recognize that:

- Planning is the capstone activity (Ivancevich, et al, 1989) and includes analyzing situations, determining goals, and creating action plans (Bateman and Zeithaml, 1990). Planning is the formalized procedure to produce articulated results about coordinated systems of decisions (Mintzberg, 1989).

- Organizing includes efforts to assemble the human, financial, physical and informational resources needed to complete the action plan (Bateman and Zeithaml, 1990). Organizing involves staffing, recruiting, and hiring as well ass efforts to involve others: both individuals and entities. Organizing not only clarifies who is supposed to do a particular job or perform a task, who is responsible for what, who

is in charge, who reports to whom it also involves building relationships with others "for whom the promise of organized collaboration outweighs the risk of . . . competition." (Hoch, 1994).

- Directing involves communicating and motivating people to accomplish organizational goals. Training people how to perform tasks and their job as well as offering incentives for to improve performance is part of the directing function. Motivated employees exhibit high attendance and do their jobs (Bateman and Zeithaml, 1990).

- Controlling involves monitoring performance of individuals, teams, units and the organization itself toward goals. It includes setting expected standards of performance, measuring deviations between actual performance and established standards, and taking corrective action when necessary (Ivancevich et al, 1989).

Management by Objectives (MBO) is the most prominent manner in which nonprofit organizations are run. MBO emphasizes goals, and using rules, regulations and policy on a daily basis. As we shall soon see, although this philosophy is congruent with the transactional style of leadership and can accomplish some degree of success, it alone cannot reach the highest level of effectiveness or potential success.

And, unfortunately most managers really are not the reflective, systematic planners that the definition of management calls for (Mintzberg, 1973). Managers are more likely to be real-time responders to stimuli. And typically in small businesses, which most nonprofits resemble, managers engage in routine activities that require their time because their company cannot afford staff specialists (Mintzberg , 1973).

There are literally hundreds of resources and guides on how to manage nonprofit organizations composed of paid staff and volunteers. (One example would be Fisher and Cole, 1993). Although better than most, it represents a typical managerial approach covering the nuts and bolts of starting and maintaining a program in which volunteers are critical in providing services. As with most, if not all of the guides for operating a program with volunteers, it lacks the intangible, emotional, psychological aspect of leadership.

The number of nonprofit organizations in the United States has increased over the years as has the number of paid staff and volunteers associated with nonprofits. A key area that nonprofits have not focused on is improving the effectiveness of the organization through better planning, leadership, and management. This research focuses on a specific type of nonprofit organization: homeless service providers. But what exactly is homelessness? And who are the homeless? The following section provides a review of some of the literature on homelessness. Later in this literature review is information on planning, leadership, and management and their impact on homelessness and public policy affecting homelessness.

4. Homelessness

While much has been written on the homeless problem, most of the research understandably focuses on cause and effect, factors contributing to homelessness and the reality of being homeless. There is also a small body of literature on management of homeless shelters and policy for them; this will be reviewed since management and

policy are directly connected to my hypotheses. A review of Chicago-are concerns is presented since my research is in this geographical area.

a. The problem of homelessness

Homelessness seems part of our human condition, and stretches back centuries. War, famine, plague, persecution create classic homelessness. Indeed, defending and providing for widows and orphans - usually homeless - is a dictate of many of the world's major religions. Our 20th century version is just the latest manifestation, as economic forces drive people out of traditional shelter. The euphemism "gentrification" covers one aspect of an ugly reality.

Homelessness has been defined as not having customary access to conventional dwellings (Rossi, 1989: Hopper, 1991) to being "less-than-home," deprived of having permanence (Kosinski, 1992), to being disconnected from meaningful, caring and loving relationships, and a lack of any sense of belonging somewhere (McGeady, 1992).

The homeless population is a much broader and diverse population than one expects (Hagen, 1987: Pardes, 1992). Despite the fact that demographic averages and means describe the "typical" homeless person as a black male, the homeless population is quite diverse (Rossi, 1989; Pearce, 1988). It includes the mentally ill (Pardes, 1992; Coles, 1992; 1993; Rieber, 1992), the aged as well as the young, the poor as well as the not so poor, the handicapped, veterans, men, battered women and children, drug abusers, alcoholics, families and individuals (Dumpson, 1992; Rossi, 1989; Pearce, 1988; Hoch and Slayton, 1989; Jencks, 1994).

What causes homelessness? There is no one cause of homelessness, but a combination of contributing factors: poverty (Ellwood, 1988; Ringheim, 1990)); lack of low-cost, affordable housing (Hoch and Slayton, 1989; Ringheim, 1990); conflict/collapse of family, lessened family support structures, deinstitutionalization of the mentally ill (Salins, 1987), racism (First, Roth, and Arewa, 1988; Cohen and Burt, 1989), personal anarchy, drug addiction (Rossi, 1992; Sosin, Colson, and Grossman, 1988). Unfortunately, there seems to be no end to causes.

Who is at fault? No one person or cause is at fault, but rather a combination of many factors (Rossi, 1989; Giamo, 1992; Wolch, Dear, and Akita, 199;, Burt, 1992). Mental illness, alcoholism and other dependencies affect some individuals and leave them jobless and homeless (Dear and Wolch, 1987). Conflict within the family, physical abuse, mental abuse and abandonment forces others into a state of homelessness (Lifton, 1992). Some homeless blame themselves for their predicament (Lifton, 1992; Giamo, 1992). The government's control of the minimum wage allows people working full-time at minimum wage to be among the poorest and at greatest risk for homelessness. The government's allocations for social services and housing assistance are frequently too little and too late, and contribute to homelessness (Wolch, 1990). Urban change and urban planning, escalating real estate values, and gentrification eliminates affordable homes and neighborhoods (Hoch and Slayton, 1989; Wolch and Dear, 1993; Dear and Wolch, 1987; Christopherson, 1989).

Even the business community does not have enough low-paying jobs because we are no longer a manufacturing society (Christopherson, 1989). We are now a service society that emphasizes professional services, skills, and higher education for higher paying jobs for which many homeless are not qualified.

What are the numbers? There is no agreement on how many homeless people there are in the United States (Anderton, 1991). Official and unofficial tallies have been done to no one's satisfaction (Rossi, 1989 and 1992; Burt, 1980; James, 1991; Piliavin and Sosin, 1987; Burt and Cohen, 1989; Kondratas, 1991). The estimates range from the Urban Institute's 600,000 to homeless advocates' estimate of 3 million. Although the numbers increased significantly in the 1980's, many expected the 1990's to be worse (Kraljic, 1992). As of 1997, these numbers are indeed higher.

Some are temporarily homeless, others are homeless for long periods of time, perhaps permanently. (Freeman and Hall, 1987; Rossi, 1989) In 1987, statistics indicate there were 100,000 children homeless with at least one parent on any given night of the year. It is estimated that 10 percent of homeless "households" are made up of families with children and most are headed by females; about 50 per cent never married the father of the children. The average age of homeless people is getting younger, and almost 50 percent never finished high school.

A 1988 Urban Institute study found that 56 percent had served time in jail, while more than 25 percent had served time in state or federal prisons. Other studies cite a much lower 10 percent figure. Researchers generally agree that between 35 and 40 percent of homeless individuals have drug or alcohol problems and perhaps as many as 50 per cent suffer some form of mental illness (Benda, 1987; Kraljic, 1992; Lee, Link and Toro, 1991).

Population and demographics differ by region as well (Momeni, 1989). For example, it is estimated that in Norfolk, Virginia, 81 percent of the homeless are families with children (Bromley, Johnson, Hartman and Ruffin, 1989); in Minneapolis, 76 percent are single men. In Rossi's 1985 and 1986 study of Chicago homeless, approximately 90

percent were adults and 10 percent were children. Unfortunately, solutions are as complex as the causes of homelessness.

b. Solutions to homelessness

What is needed? Just as there is no single cause for homelessness, there is no single solution. It is not just more housing. It is not just more jobs. It is not just more mental institutions.

A combination of jobs, low-cost housing, affordable day-care, federal policies to reduce poverty, a minimum wage that allows someone working full-time to afford housing, food and other necessities, a social support system, education, a mental health program, a family violence program, and stronger family structures are just some of the necessary elements (Dukes, 1992; Dolbeare, 1991; Lindblom, 1991; Wright and Rubin, 1991). Every subgroup (single young men, battered women, one-parent families, children, alcoholics, the mentally ill, the elderly) all have unique, complex needs that require a combination of different types of assistance (Philips, DeChillo, Kronenfeld, and Middleton-Jeter, 1988).

Providing housing without jobs is self-defeating. Even subsidized, low-cost housing requires steady sources of income. It also does not solve the problems of the mentally disturbed or the drug-addicted. Rehabilitation programs to get crack addicts off drugs will also not be enough if the addicts have no job or housing. Providing welfare payments, typically $300 to $400 a month, for a mother with two children cannot cover transportation, food, child-care and clothing as well as housing. Again, these are complex problems.

How do we begin to remedy all of these problems? No one person, no one organization, not the government alone nor shelters alone can solve this problem (Bryson and Crosby, 1992). It will take commitment from many sources and teamwork. We need stronger partnerships between the public and private sector. We need federal programs and jobs and education and services. We need forums that involve committed leaders and government and business and individuals in the same context of shared power discussed previously, and strong, effective coordination. And, of course, we need leadership and formulated policies.

In the last 10 years there has been great visibility of homelessness, extensive media coverage, intensive advocacy efforts, widespread volunteerism, and familiarity with this social problem among the general population has increased. But after all of this exposure, there has been virtually no social transformation or solution (Giamo, 1992).

c. Nonprofit homeless caretakers

Many nonprofits are trying different ways to cope with this overwhelming situation. Many have utilized their leadership skills and maximized the shared power concept to new heights. Several nonprofit leaders have created innovative places that provide a wide range of services to their clients. These are places and programs cited as outstanding models of what can be done. The following three examples from around the country demonstrate creative strategic planning, innovative leadership, and organizational structure emphasizing shared power.

- Maxene Johnson converted a dangerous 11-story hotel with a reputation of having "a murder a day" into the nationally-renowned Weingart Center which includes an inexpensive cafeteria operated by a national food service company; county medical, mental health and welfare services; 600 beds, most in private rooms; a detox unit; a Veterans Administration office, referral services for day-care, transitional housing, jobs, and more in California (Information packet provided by the Weingart Center, 1995).

- Crisis Center of South Suburbia in Illinois, is primarily a shelter for battered women and children, but is one the leading suburban centers in providing an array of services to families victimized by domestic violence. Crisis Center offers a 24-hour hotline, 30-day emergency housing, adult counseling, children's counseling, court advocates, hospital advocates, a court authorized men's counseling program called Choices, community education, clothing, job referrals, and more. In fiscal year 1994-1995, 8500 nights of shelter were provided, more than 4,000 phone calls were answered, more than 6,000 women and children received over 21,200 hours of counseling, and over 4,100 hours of court advocacy to abusers was provided, one hundred and seventy-six hospital patients received domestic violence service, over 400 medical personnel participated in professional training designed to identify and treat victims of domestic violence and almost 200 abusers participated in more than 1,100 hours of group intervention (CCSS Annual Report, 1995).

- The city of San Francisco used almost $12 million in federal relief money from the 1989 earthquake to build multi-service shelter centers. These newer shelters provide shelter and daily services from social workers, drug counselors, job-training experts,

lawyers and others from a stable of sources to deal with the spectrum of problems a homeless person deals with.

Although these examples demonstrate what creative strategic planning, innovative leadership and solid organizational structure maximizing the strengths of shared power can accomplish, they seem to be isolated examples. The next section looks at more typical situations and the needs nonprofit homeless service organizations have.

d. Need for planning, leadership, and management in homeless service organizations

Homeless service nonprofits especially need a commitment to planning, strong leadership, and effective management as much, if not more so, than businesses. Why? Because homeless service organizations face additional complications and problems that nonprofits and businesses do not. For example, few homeless service providers work solely within their own organization without assistance from many outside sources. Homeless service organizations rely on government funding, donations from individuals and organizations, referrals to/from government agencies, and input from many sources. They have great need to share resources and referrals with similar organizations. If one shelter runs out of beds, for example, they will call other shelters on a list to see what their bed availability is and then send a client to the other shelter. A more complicated example would be a battered wife with children who needs a job and child-care (preventive policy issues) as well as a place to stay (ameliorative policy issues).

Bielefeld's (1994) study of nonprofits in the Minneapolis area indicates the housing/shelter industry has the highest mortality rates of nonprofit organizations, with fifty percent ceasing to operate, compared to twenty percent mortality of all nonprofits in

that area (Bielefeld, 1994). Overall, the nonprofits that ceased to operate were younger, smaller, and had less diversified income streams than survivors. However the primary reason for mortality was significantly fewer planning strategies to attract funders (Bielefeld, 1994).

There are numerous homeless shelters that have high turnover of staff and volunteers (Jerrick and Berger, 1994). Many of these workers are frustrated, angry, cynical and ashamed that some programs and shelters aren't run well or aren't making a difference in the long term.

Some researchers have already identified the needs that the nonprofits have for higher-order leaders and managers. Bryson (1988) and Schein (1983 and 1985) agree that non-profit organizations need leaders who nurture effective and humane organizations and foster cultures that support mission and philosophy. Selznick (1957) discussed the need for managers and leaders who monitor environmental changes and who understand how organizational needs vary as an organization moves from start-up to maturity. Covey (1989), emphasizes the organizational need for both people who can have vision, charisma, integrity, and inspiration (transformational) as well as those who focus on getting the job done (transactional).

There are more examples similar to those described previously of what innovative leaders can initiate within shared power situations. This indicates that there are more effective ways we can treat and ultimately prevent homelessness (Roberts and Keefe, 1986). But there are also many other shelters and providers of services that may not be as succesful in treating clients or focusing on issues of prevention and long term solutions (Schutt, 1988). There are also shelters and service providers that are horrible places to be

and stay, that are dirty accommodations where men and women run the risk of being assaulted. These are places that even the homeless will stay only in times of desperation.

Because of these complications, problems, threats, failures and challenges, it is my contention that what we need are more directors who are true leaders, who are effective planners, and who can efficiently manage people and processes. Leaders have an innate ability to involve others emotionally and passionately (Kotter, 1996). Solid managers are essential, but solid management alone is not the answer. The only long-term solution to homelessness involves the many groups already identified: government agencies, businesses and corporate America, individuals, and even the homeless themselves. Leaders and advocates also need to keep the people for whom they speak involved. To keep the homeless out of the problem-solving process keeps them out of the solution. Without involving them, advocacy fails (McGeady, 1992). And we leaders who are not just charismatic and inspirational, but leaders who value planning and have the commitment to perform it.

A challenge to directors and advocates for the homeless is to bring the business community, government and the homeless together with an integrated series of innovative programs similar to the ones mentioned above. This challenge represents an increase of the shared power concept.

We need to put leaders in a position to do something or teach the ones who now lead how to be more effective leaders. There are not enough natural born leaders and we can't expect to hire only stars. We need to create stars and leaders out of managers. We need to provide training and programs to strengthen leadership skills and make current leaders more effective planners.

This means people who can envision programs, who plan, who can inspire and stimulate an eclectic group of government agencies, the business community, individual volunteers and the homeless themselves. This means leaders who can emotionally motivate others to action. We probably have enough managers, people who follow the pre-established rules, regulations and implement existing policy. But what we don't have are enough people who are planners, leaders, and good managers all at the same time. To further understand the challenge this environment creates for the directors of this research study, let's examine homeless policy.

e. Types of policy interventions for homeless

Homelessness as a social-policy problem is unique in that the degree of overlap in clientele among service agencies is clear. Therefore there is much duplication of effort and less efficient use of limited resources (Redburn and Buss, 1986): a solid argument for better planning, leadership, and management. For example, oftentimes nonprofit organizations play an advocacy role within the communities they serve, highlighting the importance of certain stakeholders (Bigelow, Middleton-Stone, Arndt, 1996).

Homeless policy analysts have identified three types of policy interventions addressing the homeless problem: emergency, transitional (treatment) and preventative (James, 1991). Much of the research has focused on the demographics of the homeless population (Rossi, 1989; Pearce, 1988), types of housing and shelter (Hoch and Slayton, 1989; Jencks, 1994), types of available services and population counts (Gonzalez, 1990; Wells, 1990; Rossi, 1989; O'Neil, 1990). More of the research has also focused on treatment issues (Moroney, 1991; Nichelason, 1994; U.S. Conference of Mayors, 1993; DiIulio 1991; Gibbs 1990) over prevention issues (Rosenthal, 1992).

Emergency shelter and services entails providing for immediate, critical need (James, 1991). For example, a battered women's emergency shelter seeks to provide shelter and perhaps counseling for a woman who has just gone through physical abuse. Crisis Center of South Suburbia, the previously mentioned battered women's shelter, provides service to those who have been abused within the last 72 hours (CCSS Mission Statement). The goal is to remove the client from a immediate, crisis situation. Other emergency shelters provide shelter or services for clients with immediate need. These shelters usually limit the amount of time a client may stay or receive services. The results are treatment oriented: not much is done to prevent the problem, but rather to treat the current needs.

Transitional shelters and services act as a stepping stone to assist the homeless overcome their problems and move them towards jobs, housing, and counseling (James, 1991). For example, the Weingart Center in California has 600 beds used for transitional housing, a detox unit; a Veterans Administration office, referral services for day-care, job referrals and more. The result is treatment oriented with a goal of moving clients to become independent.

Preventative programs attempt to solve some of the major causes of homelessness by working with cities to build affordable housing, working with the business community to provide jobs, and working with governmental agencies to make available counseling, and low-cost day-care (Harvey, 1989; James, 1991; Rosenthal, 1994). These preventative groups also lobby congress to enact federal policies to reduce poverty, create social support systems, provide training and educational opportunities, and/or advocate mental health programs and family violence programs. Preventative programs recognize the diverse needs different subgroups (single young men, battered women, one-parent

families, children, alcoholics, the mentally ill, the elderly) have and the shared power groups that create these programs also advocate a wide variety of activities.

Although planning, leadership, and management are needed for all three forms of intervention, preventing homelessness should be the goal, and these three independent traits become even more critical for effective organizations.

f. Homeless policy in the Chicago area

An additional example of how a community responded to the problem of homelessness can be seen in Chicago. Estimates of the number of homeless in Chicago and the five county area vary greatly depending on whose study is used and who counts as homeless. Population estimates vary from 7,000 to more than 35,000 (Hoch, 1989; Fantasia and Isserman, 1994) and are growing yearly. The city of Chicago cites four primary reasons for homelessness (U.S. Conference of Mayors Report, 1993; 1997): lack of affordable housing, unemployment, poverty and low income, and domestic violence.

The characteristics of Chicago's housing inventory indicate a system unable to meet the needs of many low income households. For example, between 1975 and 1983, almost 69 percent of the units removed from housing inventory were last occupied by a low income household, and approximately 18,000 units in single-room occupancy hotels were converted, abandoned or destroyed (Gunner, Hannan and Theodore, 1988). The community based sector has responded to the absence of an effective national housing policy by building or rehabbing units of low income housing and increasing the number of shelters in both the city and surrounding suburbs.

Studies done on the homeless population in Chicago by Rossi (1986) and Sosin (1988) indicate that the homeless overwhelmingly come from the ranks of the poor. The studies are similar in their findings that homelessness is a problem created by insufficient income resulting from inadequate employment. These studies also suggest that the poor who become homeless do so for institutional reasons having to do with the distribution of welfare benefits and the availability of low skill jobs. Both studies recommend providing a variety of social services from federal and state agencies as well as shelters. A study done by students at the University of Illinois at Chicago (Gunner, Hannan and Theodore, 1988) also recommends a national housing policy, increases in low-income housing, and assistance to households to retain housing during short-term crises.

Bassuk and Rosenberg (1988) report that homeless women were more likely to say they had been abused than housed women (40 percent versus 5 percent). They also report that homeless women are typically involved with men who are twice as likely to be alcohol or drug abusers, physically abusive, and unemployed. The reports of incidents of domestic violence have increased in the Chicagoland area as well as elsewhere in the nation over the years. Whether there is actually more incidence of it or whether it's simply being reported more is not clear. However, the number of women and children seeking shelter has increased and the number of cases appearing in the court system has also increased.

As mentioned previously, shelter is a basic human need, but it also is closely linked to access to resources such as education, health care and employment. The City of Chicago and many nonprofit agencies are and have been the primary agencies of public care for the homeless.

Organizing for the homeless in Chicago began accidentally in 1979 when representatives of major social service organizations began meeting informally to plan for crowd problems anticipated for Pope John Paul's visit to Chicago. Their discussions confirmed each of the participants' impression that the number of homeless living on the street and needing assistance was increasing. Eventually the group incorporated in 1982 as the Coalition for the Homeless (Hudson, 1988). At the time, there was no homeless policy; the problem - long-standing- had only recently begun to be noticed.

The Coalition has promoted the homeless situation to the general population and to the government. The Coalition, along with Hoch, Rossi and Sosin and others, has brought media attention, secured state and local aid, and established a source of information to service agencies. The Coalition also has been instrumental in developing policy in the City of Chicago. Homeless policy in Chicago, therefore, is young and very much local (as opposed to federal) policy.

Fantasia and Isserman (1994) reported that on a typical day in October, 1991, 3130 people in Chicago requested shelter. Of this number, they estimate that 65 percent were minorities. The U.S. Conference of Mayors Report (1993) estimates that 70 percent were minorities.

The availability of housing for the poor in Chicago has also decreased over the years, put more and more people at risk for homelessness. The U.S. Mayors Report (1993) states that between 1973 and 1984, 18,000 dwelling units in SRO's were demolished. Hoch and Slayton (1989) estimate that in the Chicagoland area the number of skid row SRO units decreased from 1960 to 1980 by 48 percent (for single-room units in the South Loop) to 92 percent (for group quarters in the West Side).

Although this research has been helpful and is a necessary part of the social policy development process, the time has come for the next step in the process. It is time to take a closer look at the effectiveness of the organizations providing services to the homeless.

Homeless service organizations are only one type of the more than 1,458,000 nonprofit organizations competing for funding, media attention, volunteers and public support (Kotler and Andreasen, 1995). They need exceptionally talented planners, managers, and leaders to make a difference (Bryson and Crosby, 1992; Kotler and Andreasen, 1995; Kotter, 1996; Jerrick and Berger, 1994; and others). Yet do the current directors lead effectively? How well do they compare with the leadership abilities of managers and executives in profit seeking corporations? In particular, do the directors of these homeless service organizations plan their organizational future?

In order to impact policy and develop workable plans, better understanding of the dynamics of what goes on in the organization and how organizations interact with other organizations is needed (Bryson and Crosby, 1992). Better understanding of the planning, leadership, and management that are used in different organizations and what contributes to effectiveness is also needed. Burns (1978), Kouzes and Posner (1987), Bunch (1987) and Neustadt (1990) have written about nonprofit leaders who inspire and motivate followers through persuasion, example and empowerment, not necessarily command and control. Further documentation about what works, what is more effective, what is more satisfying and what motivates others to put forth extra effort could make a significant difference in the success a homeless organization achieves. Additional information can assist policy makers in creating situations that breed success. The development of planning, leadership, and management programs for directors of homeless service organizations might also be useful.

Again, it is my contention that planning, leadership, and management are three important independent variables that can have tremendous impact on how effective a director of a homeless shelter is, how well satisfied the volunteers and staff are with the director, and finally, how much extra effort followers are willing to put forth for a director. To pursue this direction, we first need to look at some of the literature regarding planning, leadership, and management. The next section will begin the exploration of planning.

5. Planning

As we previoiusly reviewed research on a number of areas of study - nonprofits and their special challenges, leadership, and management in the nonprofit arena, and homelessness, we now look at another key term in the research, planning. As with the treatment of leadership and management, I will try an abstract presentation first, then review ideas and research on planning and its relationship to performance, leadership, and management, planning relationships and the impact of these key concepts on policy.

Research conducted on planning has focused primarily on the activities of planners, analyzing how they plan in different environments (Hoch, 1994). Rational comprehensive planning, popularized in the 1950's (Meyerson and Banfield, 1955), was the model used to explain and justify policies and programs (Perloff, 1961; Mann, 1972). Planning is the application of the scientific method to policy-making (Quade, 1968; Beer, 1966; Faludi, 1973). Rational planning recognizes the scarcity of resources and is used to create an overall plan of action (Banfield, 1970). It requires identification of alternatives, benefit cost analysis, goals and objectives.

Planning, in its purest sense, focuses on comprehensive master plans (Hoch, 1994) that are followed by regulatory actions. For example, a city would develop a comprehensive growth plan and future zoning permits would be granted or denied based on the comprehensive plan. However, since the 1960's, this sequential relationship has been compromised meaning that government officials can first develop, then zone with no comprehensive plan in place (Hoch, 1994).

Typically nonprofits utilize strategic planning as their primary method of planning. The next section looks at strategic planning in more detail.

a. Strategic planning

Strategic planning has been considered a useful tool for profit-making organizations for many years. As previously mentioned, since the mid 1970's, many researchers have argued that nonprofit organizations need and could greatly benefit from some version of planning (Bryson, 1988; Conrad and Glenn, 1976; Espy, 1986). and need to make a stronger commitment to strategic planning (Firstenberg, 1986; Keating, 1979; Selby, 1978; Drucker, 1990a, 1990b; Greenberg, 1982; Hatten, 1982; Steiner, Gross, Ruffolo, Murray, Steiner, and Gross, 1994; Kearns, Scarpino, 1996; Unterman and Davis, 1982). Unterman and Davis (1982) were among the strongest to criticize nonprofits for their failure to reach the strategic planning stages that for-profit enterprises initiated more than 20 years ago.

Yet many nonprofit organizations deny the need for planning. Espy (1986) cited several reasons nonprofit organizations offer to justify their choice not to plan. These reasons focus on the lack of time and staff, lack of planning experience, and lack of control over the basic mission of the organizations (Powers, 1990). Unterman and Davis

(1982) blame the large and unwieldy size of most nonprofit boards, the relative absence of inside directors, the de-emphasis on managerial expertise as a criterion for board membership, the major focus on fundraising, and the absence of information needed to assess progress towards goals and objectives.

Yet increased environmental uncertainty and ambiguity requires public and nonprofit organizations (and communities) to think and act strategically as never before (Bryson, 1988). Subsequently, nonprofit executives have been encouraged to adopt formal strategic planning techniques (Bryce, 1992; Hay, 1991; Nutt and Backoff, 1994; Unterman and Davis, 1982; Waldo, 1986). Several scholars have outlined frameworks for nonprofits to guide decision makers through strategic plans from beginning to end (Hatten, 1982; Barry, 1986; Lauer, 1994; Koteen, 1989; Espy, 1986; Jain and Singhvi, 1977; Bryson, 1988; 1995; Bryson and Alston, 1995) as well as analytical tools and protocols (MacMillan, 1983; Nutt, 1977; 1984; Nutt and Backoff, 1984; Park, 1990).

Another strong impediment to planning in a shelter environment is the ad hoc, emergency basis of so much of what a shelter does. Time and effort go to handling immediate problems - tonight's problems; next year is very, very far away. From personal experience with homeless shelters, getting a pregnant woman in labor to a hospital, providing intake service for a woman and her 6 children, finding diapers and formula for crying infants, answering telephones that never stop ringing, evicting a resident because of alcohol and drug abuse - - all now and desperately immediate concerns can make policy analysis sessions virtually insignificant at the time. How does one think of next years' performance audit by a state regulatory agency while cleaning wounds, physical and emotional, inflicted by an abuser?

Treating the homeless problem can become a 24-hour a day job. In the Chicago area, for example, more people seek shelter, service and beds during the inclement months of November through March than at any other time of year. During these months shelter and service providers have little time to devote to planning. They are dealing hourly with crisis.

But what happens in the other seven or so months? These months are the time for planning. Without a leader who embraces the concept and benefits of planning, and who commits time and people to it, planning is unlikely and the organization becomes a servant to day-to-day crisis. Dealing only with day-to-day needs results in an organization that is more treatment-oriented and less prevention-oriented. A commitment of people and time to planning, utilizing the activities of planning and the value of bringing diverse people and organizations into the process focuses on the long-term and prevention as well as treatment.

Nonprofit executives typically face more limited resources than do their forprofit counterparts. Therefore, it is at least as important to these directors to set goals, develop action plans, and monitor results, all critical activities that should be done on a formal basis (Siciliano, 1997). Homeless service organizations face the problem of trying to provide treatment and prevention services to homeless people. It is a daunting problem in that the number of homeless are growing despite their efforts. Planning policy, programs, long-term plans, projects, budgets, procedures, etc., are what we need to use to try and resolve the problem. Because we live in an environment where environmental factors change constantly, we are always in need of planning.

Ironically, the time constraints imposed by nonprofits limited resources probably are responsible for nonprofit directors not spending as much time on planning activities as do their forprofit counterparts.

Siciliano (1997) suggests that nonprofit managers (directors) should take a stronger leadership role in formalizing key components of strategic planning and to involve a strategy subcommittee of the board and staff in the process. Webster and Wylie (1988) researched nonprofit human service organizations seeking to answer three questions: What prompted them to use strategic planning? What variations in planning process did they display? What factors affect strategic planning outcomes? Although their research was skewed because they purposely sampled organizations that were likely to be involved in strategic planning, this research made an important contribution to the empirical literature on planning processes in nonprofit organizations.

Their research indicated that strategic planning was used because it was "required or encouraged by an external source" moreso than other factors such as size of the organization, availability of resources, or competition (Webster and Wylie, 1988, p. 52).

With respect to the second question (what variations in the planning process did they display?), Webster and Wylie (1988) concluded that nonprofit organizations tend to follow similar steps in the planning processes: mission analysis, external analysis, internal assessment, forecasting, strategy development and preparation of the planning document. The planning step receiving the least attention was external analysis. Planning was done primarily by the chief executive officer and board members.

With respect to the third question, less than half of the strategic plans proposed major changes in the organizations. Therefore, changing existing programs or policies,

mission, addition or elimination of programs or services or changes to organizational structure were unlikely to happen (Webster and Wylie, 1988).

In homeless service organizations it is, therefore, more understandable why these organizations continue to spend more time performing activities to treat the homeless and less time on activities to prevent homelessness. It would require significant changes in planning, leadership and organizational structure and mission.

b. Relationship between planning and performance in nonprofit organizations

As previously mentioned, nonprofit executives have been encouraged to adopt formal strategic planning techniques to help anticipate and cope with a changing environment (Bryce, 1992; Bryson, 1988; Connors, 1988; Duca, 1986; Firstenberg, 1986; Gelatt, 1992; Hay, 1991; Nutt and Backoff, 1994; Unterman and Davis, 1982; Waldo, 1986) and to improve the financial situation (Rhyne, 1986). Reductions in government funding (Abramson and Salamon, 1986; Young and Sleeper, 1988) and increased expectations and demands from the public and society for the efficient use of donated dollars have pressured nonprofits to improve accountability and performance (Drucker, 1988). This is a significant contrast with previous periods where the failure to achieve goals was not a sign of weakness but a sign that fundraising efforts needed to be intensified (Kanter and Summers, 1987).

Many scholars have examined the relationship between planning and performance in forprofit organizations, and results have been mixed. However, studies involving planning and performance in nonprofit organizations reveal positive relationships (Siciliano, 1997; Webster and Wylie, 1988). The counter is also true: a negative

relationship was found between an nonprofit organization's financial condition and its level of formal planning, particularly in three areas: environmental analyses, information pertaining to competition, and the development of short-term objectives (Siciliano, 1997). As previously mentioned, Bielefeld (1994) found that nonprofits who cease to operate were younger, smaller, and used fewer planning strategies to attract funders than survivors.

Bryson (1988) felt that organizations need a compelling reason to undertake strategic planning process, but once a crisis has developed, the opportunity to make dramatic changes is enhanced (Bryson, 1987). For nonprofit organizations, a crisis situation can occur due to their financial situation, since they are unable to maintain funding and public confidence (Drucker, 1988).

In research that looked at planning and performance, Siciliano (1997) identified seven items representing formal strategic planning in nonprofit institutions. These include: development of a mission statement, analysis of environmental trends, analysis of competition, development of long-range goals, statements of short-term objectives, plans of action, and monitoring results. The activities of setting goals, objectives, and action plans and monitoring results were linked to better organizational performance (Siciliano, 1997). Formalizing the analysis of environmental trends appeared critical to social performance, while competitive analysis was associated with improved financial performance. The process of developing a unique mission statement was not associated with either performance measure.

It has been documented that nonprofit social service organizations need different types of strategies at different points in their existence (Roller, 1996). Strategy choice is influenced by the internal competencies of the firm as matched with the external realities

it faces. The alignment between strategy and external involvement is critical in nonprofit social service organizations (Kohl, 1984), and the more complex the external environment, the more important strategic planning becomes (Roller, 1996; Odom and Boxx, 1988).

The external realities, which are crucial in shaping development may lead to the need for an organizational transformation (Roller, 1996) such as a change in domain (McMurtry, Netting, and Kettner, 1990) technology, mission, structure, funding, or leadership (Perlmutter and Gummer, 1994).

But just as there are different styles of leadership, there are also different levels of planning and varying emphasis put on planning. If the process of planning does include the selection of ends, criteria, alternatives and action, then it is most natural to look at the relationship between planning and leadership.

c. The relationship between planning, leadership, and management

What is the relationship between planning and management and leadership? Management is defined as including the activities of planning, organizing, directing and controlling. Bennis (1990) states that there are over 400 definitions of leadership. Although there is no universal definition, it is commonly accepted that leadership inspires and motivates others to reach high levels of individual and organizational potential. Planning is one of the tools that can be used to manage and lead. Both management and leadership are necessary for organizations to work.

Many planners (for example, Bryson and Crosby, 1992; Giamo and Grunberg, 1992) and researchers (for example, Siciliano, 1997; Van de Ven, 1980; Crittenden, Crittenden and Hunt, 1988) have previously identified the importance of and need for planning and leadership in nonprofit organizations such as support services and homeless organizations. Because we live in a shared-power world, a world in which organizations and institutions must share objectives, activities, resources, power, or authority in order to achieve collective gains or minimizes losses (Bryson and Einsweiler, 1991; Trust, 1983; Reich, 1987; Neustadt, 1990), there are more challenges to combat. For these organizations to succeed, we must deepen our understanding of the interrelated phenomena of power, change and leadership.

The synergy of management and planning could include, but not be limited to goal setting, both long and short term; analysis of uncontrollable and intervening variables; identification of resources; setting of timetables, methods of implementing action plans, and designation of responsibility. The synergy of leadership and planning should also include, but not be limited to developing an individual's skills and motivation; developing vision, both for the individual and the organization; creating new ways of dealing with issues, and involving others in the planning and implementation process.

Bryson and Crosby (1992) have identified abilities that are necessary for leaders in government, nonprofit organizations, businesses and support agencies to operate effectively across organizational or jurisdictional boundaries so that the common good can be achieved. These abilities are intuitively planning activities that are directly related to the different management and leadership functions:

Needed Management/Leadership Abilities

Management	Leadership
Understanding environmental conditions	Understanding the people involved, especially oneself
Making and implementing effective policy decisions	Building Teams
Evaluating conduct and giving feedback	Effectively communicating
Attending to the policy change cycle	Nurturing effective and humane organizations, networks and communities

As early as 1973, Davidoff and Reiner outlined their convictions that contemporary urban planning education has been excessively directed to substantive areas and has failed to focus on any unique skills or responsibilities of the planner. These include the skills of leadership. The emphasis has been on the management side. But to reach full potential, management is not enough. Leadership is where there is greater effectiveness, greater commitment and satisfaction.

Leaders who nurture effective and humane organizations foster cultures that support mission and philosophy (Bryson, 1992; Schein, 1985). Leaders monitor environmental changes and understand how organizational needs vary as organization move from start-up to maturity (Selznick, 1957).

The idea of blending management, leadership and planning as a means to improving shared power is not new. Krumholz (Krumholz and Forester, 1990) demonstrated his belief that planners need to utilize tools that make management and leadership effective in bringing about change using shared power. As Cleveland's planning director, Krumholz and his staff focused on organizing the community. When meeting with business people, he dresses like a conservative businessman, and talks like them using concepts and language familiar to them. Krumholz and his staff built

relationships with powerful bureaucratic neighbors and elected officials to achieve goals and objectives

What this research suggests, however is a much deeper understanding and blending of planning, leadership, and management. Herman and Heimovics (1990) were among the first to identify strategic planning as one executive leadership strategy that has significant impact on effectiveness. Huff (1985) has also identified the importance strategic plans have on the effectiveness of nonprofit executives particularly because of the complexity of the nonprofit environment and its ability to change rapidly. Bryson (1988) related the importance of a leader's ability to think and act strategically. Strategic administration of nonprofit human service organizations requires that chief executive officers plan, manage, and lead strategically (Menefee, 1997).

d. Planning, leadership, and management's impact on policy

Earlier we discussed types of policy interventions regarding homelessness. We now can look at policy and types of leadership. The need for leadership is essential in formulating and implementing policy. It includes working with an eclectic group of internal and external people/organizations on creating strategies; identifying problems; searching for solutions; and developing, implementing, reviewing, maintaining, changing or terminating policies. Nonprofit organizations exist in policy and funding environments that are uncertain and changing (Roller, 1996).

Policy can be described as including plans, programs, project, budgets, procedures and activities used to resolve problems (Bryson and Crosby, 1992). The process by

which we deal with public problems can be described as the policy change cycle (May and Wildavsky, 1978). Public policy includes, ". . . the meanings . . .ascribed by various affected publics to identifiable sequences of governmental actions based on perceived. . . consequences of those actions" (Lynn, 1987). Simplified, public policy includes decisions, commitments and actions made by those in authority (Bryson and Crosby, 1992).

The policy change cycle usually begins because of an undesirable condition (Bryson and Crosby, 1992), such as homelessness. To a degree, as previously outlined, homelessness is a consequence of previously adopted policies regarding the destruction of SRO's, the deinstitutionalization of the mentally ill, the unavailability of low-income housing, minimum wages, etc. .

Policy and homelessness have been at odds with each other for quite some time. In just the last 20 years, for example, responsibility for policy has changed hands repeatedly. In the early 1980's, when homelessness became noticeable, federal officials claimed that homelessness needed to be addressed by state and local governments rather than federal policy because it was not a national problem. However, in 1982, congressional hearings demonstrated powerful testimony by a long list of advocates that supported the fact that homelessness is a problem of national proportions. In 1983, FEMA (Federal Emergency Management Agency) was given the responsibility for administering an emergency food and shelter program.

Passage of the Stewart B. McKinney Act consolidated nearly twenty different provisions addressing the needs of the homeless into one act. Yet with a variety of different methods to distribute funds--competitive grants, block grants and formula allocations- there is still great fragmentation (National Coalition for the Homeless, 1989).

Although the McKinney Act has been consistently underfunded, to date local, state and federal governments have spent billions of dollars on the homeless, most of it on treatment and/or emergency measures, and most of it too late. (Blau, 1992). Policy has addressed the treatment of the homeless, which is short-term, and probably spent more on treatment than would have been necessary for prevention of the problem

How did the McKinney Act affect funding for programs and shelters in Chicago? What is Chicago's homeless policy? In 1988, Chicago spent $3.57 million on homeless shelters and services, whereas McKinney Act funds were more than $10.2 million (Blau, 1992). Chicago's policies have been a combination of public and private involvement: although some funding is provided, there is greater reliance on volunteers and private organizations for shelter and services. "Funding some programs with its own money and channeling federal funds into others, the city [Chicago] consulted with the private sector but did not exercise strong programmatic leadership. Chicago had a partnership with the private sector, but having less power, it behaved very much like the junior partner in this relationship" (Blau, 1992, p 121).

To incorporate or to make changes in policy requires exceptional management and leadership skills. Management can identify the goal and how to get there; leadership provides the skill of attending carefully to the goals and concerns of all affected parties in order to construct a coalition large enough, strong enough, and motivated enough to support the proposal and to protect it during implementation.

Succesful implementation of policy requires careful planning, management and leadership, ongoing problem solving, and sufficient incentives and resources, including people. Leaders need to be adaptable to differing conditions and people to achieve success.

The challenge to leaders of nonprofit organizations is to instill political, technical, legal and ethical rationality into difficult situations; the challenge is to link knowledge effectively to action (Bryson, 1987). The same knowledge about planning, leadership, and management that is utilized by industry can be used by nonprofits. The challenge is how to do it?

Now that we've looked at planning, we need to take a closer look at both leadership and management.

6. Leadership and management

The enormous body of research on leadership and management has been produced by decades of scholars. For our purposes we need to review current concepts of leadership and management, their value to an institution, and impact. Since a focus of my work is leadership styles and traits associated with them, we will consequently review traits, major management styles and their individual associated traits and factors. By grounding ourselves in these concepts, the research methodology, findings and conclusions are more easily grasped. Finally, the case study that concludes the literature review section, also serves to explain the practical application of these terms.

The concepts of leadership and management have been studied for many years as have organizational performance and effectiveness in forprofit institutions. Many individuals and organizations, from corporate America to service providers to nonprofit organizations, seek ways of improving productivity and quality, reducing employee

turnover and developing people. Traditionally more effort, research and training have been done by corporate America than by nonprofit organizations.

a. Value of management

Though researchers disagree on many of the issues, there is general agreement that management and leadership are two different concepts. Management is seen as a process of directing and controlling resources, people or processes. Management is very goal oriented and deals more with the more immediate, short term time frame. Workers and organizations have goals and objectives, managers help set these goals and monitor performance to achieve results.

More people in leadership positions in organizations tend to be managers rather than leaders (Kotter, 1988; Bennis, 1988). Managers administer, allocate resources, and resolve conflicts. They perform necessary, day to day activities. They may be involved in short-term planning, but probably not in long-term planning or in the development of people. Managers are necessary and valuable (Bryson and Crosby, 1992). Managers get things done (Covey, 1991).

However, "getting things done" does not address many issues. It doesn't look at achieving the highest level of effectiveness, or potential. Management does not address the emotional nature of work forces, or the human dimension. Managing connotes controlling and arranging. (Peters and Austin, 1985).

A good, effective manager is a valuable asset for any organization to have. There is value, however in distinguishing the difference between management and leadership (Kotter, 1988). A few organizations have great management and great leadership in one

person. More organizations have great managers and great leaders spread over several people in the organization (Kotter, 1991). Indeed, an organization led by outstanding leaders whose vision and plans are executed by confident, strong managers is bound for success. Most organizations have great managers and a notable absence of a true leader (Kotter, 1991). However, one can be a great leader and a poor manager. This causes an organization to have vision and energy, but no plans or details that get carried out by designated individuals. One can also be a great manager and a poor leader. In this situation plans and details are in place and roles assigned, but there's little vision, innovation or creativity, much less motivation and enthusiasm. Everything is done by the book.

So although good management practices should be valued and cherished, organizations still need more to reach higher levels of effectiveness. What they need is described next.

b. Value of leadership

Leadership involves much deeper and more meaningful interpersonal, organizational, and developmental dimensions (Covey, 1989; Kotter, 1988, 1990, 1991; Bennis, 1988; Bass, 1997; Jackson, 1995). Leaders have vision: both for other people and the organization. Leaders are nurturers of champions; coach, facilitator, source of inspiration (Podsakoff, MacKenzie, Ahearne, and Bommer, 1995). Leaders fully utilize planning concepts in creating vision and involving others in the planning process. Managers implement the plans leaders and others create. Managers get things done.

Leaders empower others; not through the power of their administrative position, but through words and actions. Leadership involves more than accomplishing organizational and personal goals, more than getting things done. Leadership develops people, teams and organizations to their highest potential. They create a climate that nurtures success (Kotter, 1996; Bennis, 1988; Klopp and Tarcy, 1991).

Although both leadership and management have been highly researched, after many decades we still do not have complete understanding of leadership or its implications (Bennis, 1988; Boal & Bryson, 1988). More of the research has centered on management and how to increase the productivity and effectiveness of people. Leadership has been more difficult to define and measure.

Yet there is agreement that leadership has importance and impact. Drucker (1989), Bennis (1988), Covey (1989), Kotter (1991), and numerous others agree that the single most important factor that ultimately determines which organizations succeed or fail is the leadership of those organizations.

c. Leadership trait theories

Conceptual and empirical work on the subject of leadership has vacillated over the past 50 years concerning the importance of a leader's personality. Emphasis has gone from a study of traits, to a study of behaviors to a contingency view (Fiedler, 1967; Liden and Graen, 1986) suggesting situational factors (Hersey and Blanchard, 1977; Atwater and Yammarino, 1993). Leadership theory and research has, at various times, centered on autocratic versus democratic; directive versus participative (Blake and Mouton, 1976), task versus relationship (Lewin, Lippitt, and White, 1939), and initiation versus consideration (Vecchio, 1987). There are many neocharismatic conceptualizations about

leader behaviors and perceptions with slight variations in emphases (House, 1997). These include House's (1977) theory of charisma, Conger and Kanungo's (1987) charisma attribute theory, the life cycle model (Graen and Scandura, 1987), the leadership challenge by Kouzes and Posner (1987), and Sashkin's (1988) visionary leadership. No leadership theory to date has achieved total acceptance, but all have made contributions to the field (Chemers, and Ayman, 1993). The results have been useful in identifying many traits and facets that can increase effectiveness in the organization and in individuals.

Early research into the subject of leadership focused on differences in personality traits. As the decades passed, the list of traits thought to be significant became so long that the approach lost credibility (Kivett, 1990). Critical reviews of trait research by Stogdill (1948) and Mann (1972) made its futility apparent, and interest in the trait approach declined.

In the 1970's, however, trait research again became popular and researchers argued that Stogdill (1948) and Mann (1972) did not recommend abandoning trait research, but rather felt additional research was necessary. New research techniques (validity generalization techniques) were applied to Mann's original data and it was found that a previously reported correlation of .25 between intelligence and leadership should have been .52, fueling the fire that there was something to trait research.

Subsequent studies show several traits were found to be statistically apparent in leaders and consistently absent in non-leaders. Research suggests that intelligence would be among the traits predictive of leadership (Fiedler and Garcia, 1987; Lord, DeVader, and Alliger, 1986). Lord et al. (1986) indicated that 88 percent of the studies found positive relationship between intelligence and leadership.. Lord et al. (1986) also found

boldness to be consistently correlated with leadership. Bass (1985b) has consistently found social orientation to be consistently correlated to leadership.

Physical as well as intellectual and spiritual traits were also found. For example, those described by others as leaders appear to be slightly taller, with appropriate weight, and are described more often as being intelligent, extroverted, and self-confident (Vroom, 1976) as well as attractive or charismatic. Atwater and Yammarino (1992) found that athletes believed participation in team sports taught them ways to effectively motivate and lead others. Although there was some early research on the impact participating in athletics might have on leadership, there has been very little research done since then (Atwater and Yammarino, 1993).

More recently researchers have suggested that leadership cannot be understood without looking at a leader's traits as well as the situation in which the leader works (Rousseau, 1978; House, 1991; Yammarino and Bass, 1990). Most leadership experts agree that experiences in life have an influence upon leadership development and traits individuals develop (Bass, 1990; Avolio and Gibbons, 1988; Kotter, 1996). In other words, people are not "born" leaders, they develop leadership traits as a result of experience and training. Additionally, researchers in organizational behavior and psychology have suggested that traits may not only help predict how a leader behaves, but may also provide understanding about which leaders will be more effective (House and Baetz, 1979; Lord, DeVade, and Alliger, 1986; Graen and Wakabayashi, 1992).

d. Transformational, transactional styles

Several schools of thought on leadership focus on traits/behaviors that leaders demonstrate. One popular theory is called Transformational Leadership. Bass differentiates between Transformational Leaders and Transactional Leaders. Although explained more fully later, Transformational Leaders are visionaries with charisma who motivate others to their highest potential. Transactional leaders are managers who have the ability to get things done. In each category there are three to five traits that determine how strong a transformational or transactional leader one is. Previous research shows the most effective leaders, in terms of profits, employee satisfaction and turnover, are people who are both transformational and transactional.

Few people are born with both categories fully developed. Many of the traits can be learned and developed over time through formal and informal training (Richman, 1995). Kotter (1996) believes leaders develop their skills through lifelong learning: that there is nothing inherent in human DNA prevents us from learning as we grow older. Kotter and others believe leaders are not born, but learn to be leaders from experiences in life coupled with the desire to grow and learn. But these people do indeed learn vision, how to inspire others, communication skills and how to build powerful coalitions.

There is some research evidence that supports the idea that followers' behavior or attitudes are positively associated with those of their leaders over time (Bowers and Seashore, 1966; Misumi, 1985; Ouchi and Maguire, 1975; Stogdill, 1955; Bass, Waldman, Avolio and Bebb, 1987). Research suggests that followers tend to emulate the directive or participative styles of leadership exhibited by their superiors (Popper, Landau and Gluskinos, 1992). Bass also believes his research shows managers and subordinates tend to model any form of active leadership behavior that they observe in their immediate

superiors. Burns (1987) also describes transformational leaders as those who develop followers into effective leaders themselves.

Nonprofit organizations, including homeless shelters and service providers, need leaders who may or may not have positions of authority, but who inspire and motivate followers through persuasion, example and empowerment, not through command and control (Burns, 1978, Kouzes and Posner, 1990; Bunch, 1987; Neustadt, 1990). Such leaders foster dialogue with their followers and others and the situations in which they find themselves, and they encourage collective action to address real problems.

Of the more recent approaches to the study of leadership, Bass's (1985a) transformational and transactional Model has received much attention and support. Most previous leadership research focused on first-order changes: an increase in quantity or quality of performance, a substitution of one goal for another, a shift of attention from one action to another, or a reduction in the resistance to particular actions or the implementation of decisions.

Using first-order changes causes us to see leadership as an exchange process: a transactional relationship in which followers' needs can be met if their performance measures up to their contracts with their leader (Bass, 1985a). First-order changes can be explained by several management theories, especially transactional leadership. In other words, a leader sets goals and objectives for workers and if the workers achieve the goals, both parties are satisfied. Transactional leadership is the basic premise of Management by Objective (MBO) style of management.

Higher-order change involves a new paradigm that transforms individuals and organizations into highly effective, highly satisfied beings, and this is precisely what

transformational leadership does. Transformational leaders possess characteristics that are highly regarded by others. They are inspirational, with great charisma and consideration for others. Through their actions and words they encourage and nurture people to be succesful. Through their work with followers, transformational leaders are able to make organizations more effective and satisfying places to be associated with.

Transformational leadership was first distinguished from transactional leadership by Downton (1973) as applied to revolutionary, military or political leaders, and became more popular after Burns (1978) applied the principles to political leaders. Zaleznik's (1977) application to business was further expanded by Bass (1985b) to the military, industrial public and education. This paradigm builds on earlier leadership paradigms, and examines the relationship of leadership factors to outcomes such as individual and organizational effectiveness, satisfaction, burnout and stress.

Burns (1978) offered a more dichotomous perspective and felt that leadership is either transactional or transformational. Transactional was filled with rewards for good behavior and punishment for bad behavior. Transformational primarily dealt with charismatic, motivational behaviors. He saw transformational and transactional leadership as two ends of a continuum.

Bass (1985a) saw them differently: rather than dichotomous, they could be augmented dimensions, each composed of several empirically-derived factors. Bass' model suggests that transformational leadership builds on transactional leadership in contributing to subordinate effort, satisfaction, and effectiveness. Transformational leadership, therefore, could produce higher levels of effort and performance than what would occur with a purely transactional approach. Waldman and Bass (1985) found support for this augmentation hypothesis.

Transformational leadership differs from earlier models in that it proposes that the most effective leaders energize Maslow's (1943) higher level needs in their workers and encourage deep commitment to goals and values, not just compliance. Transformational leadership augments transactional leadership and can be seen as a higher order construct comprising conceptually distinct facets: charisma, intellectual stimulation, individualized consideration, inspiration and idealized influence.

A central thesis of Bass's (1985) theory is that transformational leadership goes beyond exchanging inducements for desired performance by developing intellectually stimulating and inspiring followers to transcend their own self-interest for a higher collective purpose, mission or vision.

Much leadership research (Hersey and Blanchard, 1979; Vecchio, 1988; Fiedler and Chemers, 1974; Kerr and Jermier, 1978; Kipnis, Schmidt Swaffin-Smith and Wilkinson, 1984; and others), including Bass's, has focused on the behaviors related to two important factors of leadership: initiating structure and consideration. Initiation deals with clarifying the task requirements, providing information and structuring the task. Consideration deals with being sociable, participative, pleasant, egalitarian and concerned about the group members' welfare. These two factors have often been seen to suffice as behavioral operationalizations for tests of theories conceiving leadership as autocratic versus democratic, directive versus participative, or task-oriented versus relations-oriented (Seltzer and Bass, 1990). However, Seltzer and Bass (1990) feel initiation and consideration are not sufficient to explain the full range of leadership behaviors commonly associated with the best and also the worst leaders.

Response allocation and factor analyses by Bass (1985a) suggest that transactional leadership is characterized by two very different factors: contingent reward and management-by-exception. The active transactional leader emphasizes the giving of rewards if subordinates meet agreed-upon performance standards (contingent reward). This form of leadership emphasizes the clarification of goals, work standards, assignments, and equipment. The less active transactional leader practices avoidance of corrective action (management-by-exception) as long as standards are being met (Bass, Waldman, Avolio and Bebb, 1987).

Transactional leaders recognize what followers want to get from their work and try to see that they get what they want if their performance warrants it. The leaders exchange rewards for efforts (Miner, 1988): work is quid pro quo, carrot-and-stick; it is a transaction. Transformational leaders, on the other hand, may inspire their followers, may deal individually with subordinates to meet their developmental needs, and may encourage new approaches and more effort toward problem solving (Seltzer and Bass, 1990). Transformational leaders motivate their followers to do more than the follower originally expected to do. Tichy and Devanna (1986) suggest that transformational leaders bring about change, innovation and entrepreneurship.

Transformational leaders accomplish this by raising the followers' level of consciousness about the importance and value of designated outcomes and about ways of reaching them; getting followers to transcend their own self-interest for the sake of the team or organization; and altering followers' needs levels on Maslow's need hierarchy or by expanding their portfolio of needs and wants. Transformational leadership transforms the individual as well as the relationship between leader and follower.

The transformational leader further differs from the transactional leader as defined by Burns (1978) in that the transformational leader attempts to elevate the needs of the follower in line with the leader's own goals and objectives. In a sense, the transformational leader creates new synergies concerning the individual, personal hierarchies of needs, and the organization's goals.

e. Transformational leadership factors

Transformational leadership factors include charisma, inspiration, intellectual stimulation and individualized consideration. The Bass (1985a) model differs from earlier conceptualizations of charismatic leadership (Burns, 1978; House, 1977; Sims and Manz, 1984; House, 1985; Boal and Bryson, 1988; Howell, 1985;) in regard to three additional leadership factors - inspiration, intellectual stimulation and individualized consideration. Charisma is the most noticeable trait associated with leaders who are transformational (Bass, 1985a; Bass, Avolio and Goodhelm, 1987). A more detailed review of all the transformational factors is explained below.

The key factors measured by Bass's survey have been empirically linked to individual and organizational success. Leaders described as transformational concentrate their efforts on longer term goals; place value and emphasis on developing a vision and inspiring followers to pursue the vision; change or align systems to accommodate their vision rather than work within existing systems; and coach followers to take on greater responsibility for their own development as well as the development of theirs (Howell and Avolio, 1993).

Transformational leaders are seen as both more effective and more satisfying to work for than ordinary leaders, are promoted more frequently, develop followers to higher levels of individual and group potential, generate better productivity rates, produce more innovative ideas, reduce burnout and stress on the job, and receive high levels of volunteer effort from followers. (Bass and Avolio, 1990).

Transactional leadership yields similar outcomes, but to a lesser degree, and has been shown to be augmented by transformation leadership. Both transactional and transformational leadership are present in succesful organizations. The most optimal leader is one who integrates both transactional and transformational leadership approaches (Bass and Avolio, 1990).

Transformational leadership could produce high levels of subordinate effort and performance, performance that goes beyond what would occur with an exclusively transactional approach. Waldman and Bass (1985) found that transformational leadership added to the impact on followers of transactional leaders rather than replacing it: the augmentation theory. The augmentation effect predicts that by measuring transformational leadership behaviors one can achieve a higher level of precision in predicting extra levels of effort and other relevant criteria (Bass and Avolio, 1994b).

Research on transformational and transactional factors has indicated that a more optimal profile of leadership is represented by a higher frequency of occurrence of behaviors associated with active transactional leadership (contingent reward) and transformational leadership (Bass and Avolio, 1994). Leaders who display these behaviors more frequently are also generally viewed as more effective, based on ratings collected from the same source, as well as in situations where effectiveness data were collected from an independent source (Howell and Avolio, 1992).

Transformational leaders are characterized as raising followers' consciousness levels about the importance and value of designated outcomes and ways of achieving them (Burns, 1978). According to a series of studies, (Avolio & Bass, 1988; Bass, 1985b; Hater & Bass, 1988) transformational leadership appeals to people's higher levels of motivation to contribute and add to quality of life.

The following is a brief description of the five transformational factors: charisma, idealized influence, inspiration, intellectual stimulation and individualized consideration.

1. **Factor: Charisma**

Transformational leaders are likely to be perceived as charismatic by their followers: charisma is a key construct underlying transformational leadership behavior (Howell and Avolio, 1993). Charismatic leadership is central to the transformational process and accounts for the largest percentage of common variance in transformational leadership ratings (Bass, 1985b; Bass, Avolio, and Goodheim, 1987).

Definitions of charisma tend to be variable and ambiguous, both in the media and with researchers (Graen, 1990). However, Avolio and Bass (1988) define charisma as a quality through which "The leader instills pride, faith and respect; has a gift for seeing what is really important, and has a sense of mission (or visions) which is effectively articulated (p 34)." A charismatic leader is one who articulates a goal or vision, shows confidence, is respected and trusted, turns threats into opportunities, effectively focuses attention on the importance of the group's mission and creates a strong desire for identification on the part of followers (Bass and Avolio, 1990). Extremely high levels of

self-confidence, dominance and need for influence, and a strong conviction in the moral righteousness of his/her beliefs characterize the charismatic leader (House, 1977).

Charismatic people inspire others to follow them. Charismatic leaders use emotional appeals. As mentioned previously, it is the charismatic's ability or "gift" to sense and effectively address the followers' needs hierarchy and, in cases, to actually manipulate and alter the individual's higher-level needs to conform to that of the charismatic. Followers are motivated to follow and emulate a person with charisma; the charismatic is perceived as someone who can be profoundly trustworthy. The charismatic leader is often seen as one or all of the following: an omnipotent archetype, mystical, heroic, and value driven (Sankowsky, 1995; Conger and Kanungo, 1987).

Not all charismatic leaders are transformational leaders, however. The public might hold someone in awe for their charisma, and be aroused by them, but the public is not transformed by the charisma. For example, musicians and actors may have charisma, but are not necessarily leaders (Howell and Avolio, 1993). "Charisma is a necessary ingredient of transformational leadership, but by itself is not sufficient to account for the transformational process" (Bass, 1985b, p 31). Whether a transformational leader has a transformational effect on followers depends on "how their charisma combines with the other transformational factors . . . " (Bass, 1985b, p 51-52).

Worth noting is that charismatic leaders who operate by using control and manipulation are seen as less effective and satisfying to work for than other types of transformational and transactional leaders. Narcissistic charismatics have the uncanny ability to exploit, not necessarily in full awareness, the unconscious feelings of their subordinates (Kohut, 1971).

2. **Factor: Idealized Influence**

Idealized Influence addresses the moral and ethical integrity of the leader. In a word, idealized influence in transformational leadership calls for credibility. If charisma is the social aspect of leadership, idealized influence is the moral fiber of the leader. It is a reflection of not only what his/her beliefs are, but if the leader is committed to act on his/her convictions, regardless of consequences.

In an organization the leader is accountable for expressing the values of the organization, for making them clear, and assuring to the people working there that the values will be lived up to in the way decisions are made and policies are created.

3. **Factor: Inspiration**

Bass defines the process of inspiration as "the arousal and heightening of motivation among followers that occurs primarily from charismatic leadership" (Bass, 1985, p 62). Yukl and Van Fleet (1982) define inspirational leadership as that which "stimulates enthusiasm among subordinates for the work of the group and says things to build their confidence in their ability to successfully perform assignments and attain group objectives" (p. 90). Inspirational leaders provide symbols and often simplified emotional appeals to increase the awareness of followers and their understanding of mutually desired goals.

4. Factor: Intellectual Stimulation

Intellectually stimulating leaders encourage their subordinates to apply new paradigms and new thinking to old problems and even to question the leader's ideas and assumptions. Intellectual stimulation is used to encourage followers to question their old way of working or to break with the past. Bass (1985a) defines intellectual stimulation as "the arousal and change in followers of problem awareness and problem solving, of thought and imagination, and of beliefs and values, rather than arousal and change in immediate action. . . Intellectual in the sense of scholarly is not necessarily applied" (p. 99). Transformational leaders are less willing than transactional leaders to accept the status quo and more likely to seek new ways to take advantage of opportunities (Bass, 1985b).

Followers are supported for questioning their own values, beliefs and expectations, as well as those of the leader and organization. Followers are also supported for thinking on their own, addressing challenges, and considering creative ways to develop themselves. Intellectual stimulation involves more than encouraging subordinates to think for themselves. It includes the leader's ability to stimulate subordinates through his/her own powers of intellect and articulation.

5. Factor: Individualized Consideration

Individualized consideration refers to the leader's ability to recognize what distinguishes one follower from another. Individualized consideration represents an attempt on the leader's part not only to recognize and satisfy current needs of the follower, but also to arouse and elevate those needs in an attempt to further develop the follower. Individualized consideration may also be characterized as paying attention to

individual subordinates, and understanding and sharing in the follower's concerns and needs as an individual (Bass, Waldman, Avolio and Bebb, 1987).

Followers are treated differently, but equitably on a one-to-one basis. Their needs and perspectives are recognized and assignments are delegated to followers to provide learning opportunities. Consideration for the needs and wants of subordinates has been shown to be positively related to follower satisfaction with the leader and sometimes with productivity. Consideration can have two dimensions: that which the leader shows in relationships with groups and that which he/she shows in relationships with individuals. (Kivett, 1990).

A leader emphasizing individualized consideration senses the various strengths and weaknesses each individual has and builds on them. Not only does the leader emphasize achieving goals for the organization, but also achievement of the individual's goals (assuming they are consistent with those of the organization). The emphasis is on recognizing the potential that lies within each individual and working to develop it.

f. Transactional leadership factors

Transactional leaders are described by Bass (1985a) as those who recognize what it is workers want to get from their work, and try to see that they get what they want if worker performance warrants it. A transactional leader exchanges rewards and promises of reward for our effort, and is responsive to worker immediate self-interests if they can be met by getting the work done.

Transactional leadership is results-and-goal-oriented and is a hybrid of Management by Objectives: define an organization's objectives and lead in a way to

achieve the objectives. Transactional leaders recognize the roles and tasks required for followers to reach desired outcomes; they also authoritatively clarify these requirements for followers, thus creating the confidence followers need to exert the necessary effort. Transactional leaders also recognize what the followers need and want, clarifying how these needs and wants will be satisfied if the follower does what is necessary to complete the task (Bass and Avolio, 1990). It is important to mention that transactional leadership generally focuses on economic motivation: raises, bonuses, promotion, etc. Again the relationship is contractual and economic.

Transactional leadership at its best is networking. It is always tied to positional power, the status and influence that comes from one's rank in the hierarchy. Power is the economic and political rule (Schuster, 1994).

Certain aspects of transactional leadership may be counterproductive to the aims of the leader, follower, and/or the organization. Quality may not be emphasized or strived for, resources may be lacking, reinforcement can backfire, jealousy among followers may emerge, as well as other results (Podsakoff and Schriesheim, 1985; Podsakoff and Todor, 1985). Abuse of such power is all too common (bribes, kickbacks, harassment, favoritism, nepotism, etc.). Transactional leadership is not the most optimum way to achieve long-term development of people or organizations.

The distinction between active and passive management by exception is primarily based on the timing of the leader's intervention. Active and passive management by exception are not correlated with each other (Hater & Bass, 1988). The three transactional factors of contingent reward, active management by exception, and passive management by exception are explained as follows.

1. Factor: Contingent Reward

Contingent reward is generally viewed as being positively linked to follower performance and job satisfaction, (Podsakoff, Todor, Grover and Huber, 1984; Podsakoff, et.al., 1982; Sims & Szilagyi, 1975) and is commonly associated with charisma (Bass and Avolio, 1994b).

Contingent reward concentrates on clarifying goals, work standards, assignments, proper use of equipment, or working toward a desired outcome. It involves an interaction between a leader and follower that emphasizes an exchange: when a follower meets his/her objectives there is a reward.

The emphasis is on facilitating the achievement of agreed-upon objectives by followers. For contingent reward to be demonstrated, two components need to be in place. First, a promise or goal must be communicated and agreed upon by the leader and follower. Secondly, a reward is given for those who achieve these previously agreed upon goals. Contingent rewards may involve money, incentives, promotion, praise or public recognition.

2. Factor: Active Management-by-Exception

In the active form, the transactional leader continuously monitors followers' performance to anticipate mistakes before they become a problem and immediately takes corrective action when required (Howell & Avolio, 1993). There is a strong control function, much pro-activity, and established benchmarks, parameters and processes, and organizational reporting lines.

3. Factor: Passive Management-by-Exception

In the passive form, the leader intervenes with criticism and reproof only after mistakes are made and standards are not met (Howell & Avolio, 1993). Passive management-by exception allows the status quo to exist. Only when things go wrong will the leader intervene to make some correction. So long as plans are being followed, standards are being met or operations appear to be going smoothly, leaders ignore the subordinates. But when something goes wrong, the leader provides negative feedback or even punishment. Generally the modes of reinforcement are correction, criticism, negative feedback and negative reinforcement, rather the positive reinforcement used with contingent reward leadership. Passive management by exception generally has a negative impact on satisfaction and performance (Bass and Yammarino, 1991; Waldman, Atwater and Bass, 1992; Howell and Avolio, 1993).

g. How transformational and transactional factors influence directors

The transformational and transactional factors explained above indicate that the focus, actions and methods used by individuals in management/leadership positions vary. The following chart attempts to show how transactional and transformational people perceive various aspects of managing and leading an organization.

How Transactional and Transformational People Differ

Element	Transactional	Transformational
Time orientation	Short-term, today	Long-term, future
Coordination mechanism	Rules and regulations	Goal and value congruence
Communication	Vertical, downward	Multidirectional
Focus	Goals	People (internal and external)
Reward systems	Organizational, extrinsic	Personal, intrinsic, charisma
Source of Power	Positional	Concensus support
Decision Making	Centralized, downward	Dispersed, upward
Employees	Replaceable commodity	Developable resource
Compliance mechanism	Directive	Rational explanation
Attitude toward change	Avoidable, resistant, status-quo	Inevitable, embrace
Guiding mechanism	Profit	Vision and values
Control	Rigid conformity	Self-control
Perspective	Internal	External
Task design	Compartmentalized, Individual	Enriched, groups

Source: Adapted from work by Tichy and Devanna (1986) and Bass and Avolio (1994b).

The transactional descriptors are very similar to the descriptions used for the four functions of management (planning, organizing, directing and controlling). Management, as previously explained, deals more with short-term plans and procedures, and getting things done, not long-term plans, nor deep assessment of resources or evaluation of alternatives.

The descriptors for transformational styles are also very similar to definitions of leadership. Leadership is people oriented and focuses on developing people and organizations and almost always includes terms such as "visionary" and "charismatic".

From a planning standpoint it would appear that the planning perspective I have taken in this research is much more closely aligned with transformational than transactional traits. For example, transactional focuses on the short-term whereas transformational examines the long-term larger picture. Transactional is also internally focused whereas transactional is externally focused. This research will seek to determine if planning is indeed more closely aligned with transformational or transactional traits. However as previously mentioned, the most effective leaders possess both transformational and transactional traits.

There are also directors who do not possess either transformational or transactional traits. This lack of leadership and management is described next.

h. Non-leadership factor

Non-leadership describes those leaders who do not possess leadership or management skills: leadership is absent (Bass and Avolio, 1994b). These leaders can be indecisive or reluctant to take a responsible stand: they avoid leadership. Decisions are often delayed, feedback, rewards, and involvement are absent. There is no attempt to motivate followers or to recognize or satisfy any needs they may have. Unfortunately, sometime people move into leadership or management positions without the skills necessary for the position. This can be very applicable to non profit organizations, including homeless service providers who are committed to their cause, but don't have the ability to manage or lead others.

1. **Factor: Laissez-Faire**

Laissez-Faire indicates the absence of leadership, the avoidance of goals-setting, development, intervention and evaluation. With this avoidance behavior, decisions are often delayed or not made; feedback, rewards and involvement are absent; and there is no attempt to motivate followers or to recognize and satisfy their needs (Bass and Avolio, 1990). In every organization in which the MLQ was used to collect data, Laissez-Faire leaders are seen as procrastinating and uncaring, leading to low levels of follower performance and environments with high conflict (Bass and Avolio, 1993a).

i. Outcome factor scores

There are three outcome scores that can be associated with the previously mentioned transformational, transactional and Laissez-Faire leadership factors: satisfaction, extra effort, and effectiveness.

These provide an opportunity for "self" and "rater" to evaluate the affects of the leader's style of management and leadership. In past research, transformational leaders produce higher levels of effort, effectiveness and satisfaction in their followers through charisma, intellectual stimulation, individualized consideration and inspiration (Avolio, Waldman and Einstein, 1988; Bass, 1985a; Hater and Bass, 1988; Waldman, Bass and Einstein, 1987).

1. **Effectiveness**

Reflects a leader's effectiveness as seen by both self and others in four areas: meeting the job-related needs of followers; representing follower needs to higher-level

manager; contributing to organizational effectiveness; and performance by the leader work group.

2. Satisfaction

Reflects how satisfied both leader and co-worker or followers are with the leader's style and methods, as well as how satisfied they are in general with the leader.

3. Extra Effort

Reflects the extent to which co-workers or followers exert extra effort beyond the ordinary as a consequence of the leadership.

j. Summary and conclusion

Homeless shelters and organizations are among the numerous nonprofit human service agencies that do not make use of good planning, leadership or management skills. There is abundant literature on the need nonprofits have to develop better skills and measures of effectiveness.

Espy (1986), Powers, (1990), and Unterman and Davis (1982) cite reasons why nonprofit organizations resist planning. Bryson (1988), Bryce (1992), Hay (1991), Nutt and Backoff (1994), Waldo (1986) and others encourage nonprofits to spend more time and attention to planning. Several scholars have outlined frameworks for nonprofits to guide decision makers through strategic plans from beginning to end (Hatten, 1982; Barry, 1986; Lauer, 1994; Koteen, 1989; Espy, 1986; Jain and Singhvi, 1977; Bryson,

1988; 1995; Bryson and Alston, 1995) as well as analytical tools and protocols (MacMillan, 1983; Nutt, 1977; 1984; Nutt and Backoff, 1984).

Steinberg (1987) and Wortman (1979) and others have concluded that nonprofit organizations can benefit from understanding and using strategic management techniques: long-range goal setting, strategic planning, implementation and evaluation. Siciliano (1997), and Webster and Wylie (1988) found positive relationships between planning and performance in nonprofit organizations.

Nonprofit organizations, including homeless shelters, can benefit from understanding and using more planning and leadership techniques: motivating, empowering, inspiring, developing and more (Bryson and Crosby, 1992; Giamo and Grunberg, 1992; Siciliano, 1997; Van de Ven, 1980; Crittenden, Crittenden and Hunt, 1988).

But nonprofits also need to be managed well in order to achieve results (Kotler and Andreasen, 1995; Bryson and Crosby, 1992). The homeless service agencies are working with limited resources, but still have the need to plan as well as to develop programs and provide services for people. The organizations need goals, direction, plans, and leadership. Less effective managers and their organizations are penalized for less than optimal performance vis-à-vis fewer funding sources, higher turnover of staff and volunteers, and high levels of conflict and frustration (Nations, 1993).

Rossi and Freeman (1989), Lindblom (1991), Kearns (1994), Kanter and Summers (1987), O'Connell (1988), and Drucker (1990), among others, have called for more evaluation research focusing on measuring effectiveness and the value-added

performance of management and leadership in nonprofit organizations. These facts support the premise of this research study.

Let's complete the literature review by zeroing in on the gaps present in previous research, and conclude with the special challenges of this research study.

7. Gaps in the Research

As has been demonstrated, there is a growing body of literature (Kearns, 1995) on nonprofit boards of directors that addresses their formal roles and obligations (Ingram, 1988; Drucker, 1990c; Harris, 1993), board structure and operating policies (Carver, 1990) board evolution and group dynamics (Mathiasen, 1982; Middleton, 1987; Ostrowski, 1990), and board recruitment, assessment, and renewal (Dayton, 1987; O'Connell, 1988). Research also provides information on strategic planning, particularly at the board level (Kearns, Scarpinc, 1996; Jenster and Overstreet, 1990).

While the previously cited literature and research provides critical information, it also raises important issues, and additional questions. Some research has evaluated planning done by boards of directors of nonprofit institutions. Some scholars have looked at management and leadership and the relationship they have to organizational effectiveness, but what is the role of conscious planning? How does planning interact in the relationship with leadership and management? What is the impact of strategic planning on organizational performance, particularly effectiveness?

With a few exceptions, the empirical literature indicates a gap in several areas. First, is the absence of a tool that allows the director (chief executive officer) to do a self assessment on his or her management and leadership ability and compare it with workers and volunteers assessment of the director's management and leadership ability.

Secondly is the issue of how the director's leadership and management ability affect the worker's perception of effectiveness? Do workers perceive management to be effective enough or does leadership have impact on a mix a staff and volunteers as it does workers in business.

Third, is the role planning plays. How do strong planning skills affect worker's perception of effectiveness? Additionally, can good planning compensate for weak management or leadership in terms of effectiveness?

A case study of one homeless shelter is included in the Appendix section that demonstrates the literature findings on planning, leadership, and management.

As previously mentioned, many staff and volunteers in homeless service agencies are there because of their desire to give back (Kotler and Andreasen, 1995). They need and deserve to be managed and led well. Schindler-Rainman and Lippitt (1977) identified one trend prevalent in volunteers is their desire to be more than a drone. They want input, feedback and sense of being part of the big picture. Drucker (1989) argues that the most significant development in the nonprofit sector is the transformation of volunteers from well-meaning amateurs, to trained professional unpaid staff members).

This new research, then, presents a number of challenges.

8. Challenge of this research study

The major challenge in the study of effectiveness of homeless service agencies is the lack of criteria for defining and measuring nonprofit effectiveness. Several researchers (Herman and Heimovics, 1993; 1994; Kanter, 1981) have argued that nonprofit organization effectiveness may be most appropriately and usefully conceived as a social construction. A social constructionist perspective recognizes that important stakeholders make judgments on effectiveness and act on these judgments (Herman, Renz and Heimovics, 1997). However, different stakeholders may use and evaluate different kinds of information in forming their judgments, or may interpret the same piece of information differently. Effectiveness is judgment (Herman, Renz and Heimovics, 1997).

The importance of accountability of the leader, director or chief executive officer in the organization is essential. It provides feedback that is meaningful, collaborative and effective (Fry, 1995). Nonprofit leadership must accept the opportunity to learn which of their methods are more effective than others.

It is with these factors in mind that this research was undertaken. This study is an attempt to further both theoretical and practical knowledge about the strategic planning, leadership, and management that takes place in a specific type of nonprofit institution: homeless shelters and programs for the homeless. The primary research strategy was to identify some of the major differences in leadership styles and the emphasis on planning between more effective leaders and their less effective counterparts. This research emphasizes the relationship of planning, leadership, and management to the outcomes of effectiveness, satisfaction, and extra effort. The primary reason for such a choice is that this research uniquely combines planning questions with the previously established

transformational and transactional questions to measure the impact on effectiveness, satisfaction and extra effort on the organization.

This study, therefore, measures three dependent variables in homeless service organizations and the impact of planning, leadership, and management (independent variables) on these outcomes. The research attempts to answer three major research questions identified in the previous chapter.

The next section, methodology, describes the design of the study, the sample used, limitations of this research, and the instrument used.

III. METHODOLOGY

A. Design

The findings expressed in the literature review indicate that there is a need for homeless service providers to understand the strengths and weaknesses of their planning, leadership, and management skills. Kearns (1994), Kanter and Summers (1987), and O'Connell (1988) also argue that more research is needed on effectiveness. This research attempts to gather data on directors of homeless service organizations. The focus is on their planning, leadership, and management traits, and how effective they are as a result of these traits.

B. Setting

The following section provides specific details on how this research was conducted. In order to follow these minute details more easily it is helpful to understand the big picture of what this research is all about. A modified version of the Multifactor Leadership Questionnaire 5x (Bass, 1993b) was sent to directors of homeless service organizations in the 6-county Chicago area. Each site recieved 5 questionnaires for followers -staff or volunteers who report to the director- to complete and 1 questionnaire for the director to complete on himself/herself. These surveys were collected by another person at the site and mailed back to me. Responses to the questionnaires were entered into SPSS, a statistical software package, and analyzed. Results are presented in the next chpater of this report.

A list of homeless shelters and homeless service organizations in the 6-county Chicago area was compiled from several sources: Chicago Coalition for the Homeless Directory of Shelters and Resources for the Homeless, City of Chicago Department of

Human Services FY '93 Homeless Services Program, State of Illinois Department of Human Services-Homeless Services Division, and the City of Joliet Department of Human Services .

A combination of these lists resulted in 208 sites. Each site was called and asked if it would be interested in participating in this study. Those individuals who were not in when called were recalled three times. If they still could not be reached, a letter was sent inviting their participation. A total of 81 sites ultimately agreed to participate, although the response rate from the packets sent out was 49 percent, producing 40 usable packets with a total of 186 surveys. Each participating site was sent: a packet of 5 surveys, one for the director and 4 for staff/volunteers; an informational letter; and a directions sheet. Each site was called two weeks after the mailing to remind them to complete and return the survey packets.

From the original list of 208 sites, 49 sites could not be used: 33 were duplicates and 13 were disconnected numbers with no new listing and an additional 3 closed after I spoke to them by phone. Only 8 sites said they did not wish to participate.

There were also 78 sites that were called and either a) left a message on voice mail, b) left a message with a person, or c) received no answer, but the phone was connected. In the week of March 1, 1995, a letter was sent to those 78 sites explaining the purpose of the study and letting them know if they were interested in participating or in getting more information they could contact me. Of these 78, 5 directors called and asked for survey packets.

An additional final mailing was sent to approximately 53 sites that had agreed to participate and had received packets, but had not returned them. Of these 53, several sites

(9) asked for another set of packets for a variety of reasons. They were sent additional packets. A total of 6 letters were returned, "addressee unknown." Again, this all resulted in a sample size of 40 directors and 146 followers.

All subjects were associated with a homeless shelter or program in the 6-county Chicagoland area. Each subject had been with the organization or program for at least 6 months. At each site questionnaires were completed by a leader or director and 3-4 staff or volunteers who reported to the leader/director. From hereon these people will be referred to as "leader" or "self" and "follower" or "rater." Of the leader group, 70 percent were female, 30 percent were male and at least 5 (12.5 percent) were members of religious orders, although many of the organizations had religious associations. No distinction was asked or made from the follower group.

This study's sample differs in several ways from Bass's original study (1985) and others that have been done: subjects in this study all come from homeless shelters and programs; more leaders were females, most had strong religious orientations and all are from the 6-county Chicago area.

C. Survey instrument: Multifactor Leadership Questionnaire 5X

1. Rationale and background information

After reviewing many current leadership instruments, I chose to use Bass's (1993) Multifactor Leadership Questionnaire (MFLQ) Self Version 5X for the directors and the Multifactor Leadership Questionnaire Rater Version 5X for the workers. The Self version asks leaders/directors to rate themselves on leadership and management activities.

The Rater/worker/follower version asks workers at the same site to evaluate the director on the same activities.

I chose this instrument over others for several reasons. First, several studies (Bass & Yammarino, 1991; Atwater & Yammarino, 1992; Van Velsor, Taylor and Leslie, 1993) have suggested that self/rater agreement may be related to effectiveness, satisfaction and extra effort. In these studies, inaccurate self-raters tended to show poorer rated performance than people who rated themselves as others rated them. In addition, "overraters" not only rated themselves higher than "accurate raters" or "underraters", but "overraters" were rated lowest by their co-workers in terms of effectiveness, satisfaction, and extra effort. Of the three groups, co-worker ratings of performance were highest for people who underrate themselves. These data also suggest that underraters are perceived as the highest performing or most effective managers, even more so than managers who tend to see themselves accurately and much more so than managers who overrate their skills.

Second, as outlined in the literature review, leadership trait analysis and situational leadership are well accepted and considered a reasonable way to analyze the effectiveness of the individual director as well as the organization (Bass and Avolio, 1990). The transformational leadership paradigm builds on earlier leadership paradigms- such as those of autocratic versus democratic leadership, directive versus participative leadership, and task-versus relationship-oriented leadership - which has dominated selection, training, development and research in this filed for many years.

Third, the planning questions I had in mind complemented the transformational and transactional categories Bass had identified. These planning questions focus on the

occurrence of planning activities as well as the involvement of others, similar to participative leadership. The planning questions also relate to management activities.

The original MFLQ (Bass, 1985) was comprised of 84 items. Form 5X is composed of 90 items, 81 of which are statements describing transformational and transactional traits, 4 of which measure effectiveness, 2 which measure satisfaction and 3 seek demographic information. As previously mentioned, the transformational leadership profile assesses five transformational leadership factors, two transactional leadership factors, one non-leadership factor and three outcome factors. Although detailed more thoroughly in the literature review, a summary of the factors and outcomes is shown below.

Transformational Leadership Factors
- Charisma
- Idealized Influence
- Inspiration
- Intellectual Stimulation
- Individualized Consideration

Transactional Leadership Factors
- Contingent Reward
- Active Management-by-Exception
- Passive Management-by-Exception

Non-leadership Factors
- Laissez-Faire

Outcome Factors
- Satisfaction
- Effectiveness
- Extra Effort

2. Selection strategy

a. Multifactor leadership questionnaire self version 5X

The adapted Multifactor Leadership Questionnaire (MFLQ) Form 5X Self (Bass, 1991a) was completed by 40 leaders or directors.

The director of the site completed the "Leader or Director" (Self) questionnaire, evaluating their own leadership. Eighty-seven (87) questions are from the Multifactor Leadership Questionnaire (Bass, 1991a) Form 5X Self. I included 42 additional questions of my own about Planning activities, and 9 questions on the history and size of the organization/program, and one questions on demographics for a total of 138 questions.

Directors were asked to chose a letter response signifying how often the planning, leadership or management behavior was performed. Scoring is shown as follows:

Response	Refers to	Scoring
A:	Frequently, if not always	4
B:	Fairly often	3
C:	Sometimes	2
D:	Once in awhile	1
E:	Not at all	0

These are the same anchors used in the original form of the MFLQ. Bass (1985a) states that the anchors bore a magnitude-estimation-based ratio to each other of 4:3:2:1:0. That is, for instance, "fairly often" implies a frequency three times as much as "once in awhile. The scores assigned to the MFLQ's responses form a ratio scale, and are the result of a study done by Bass, Cascio, and O'Connor (1974) in which the authors found it possible to fix quantitative meanings that are associated with verbal judgments of frequency and amount.

From the list used and the responses to demographic questions it appears that directors were primarily female and many of the sites had religious affiliations. Also directors were asked to describe their primary educational background. Although this was done for the purpose of identifying leaders or followers who may have had management training in school, it provides a brief profile of those who responded. Table I indicates the educational backgrounds of the directors.

Table I

Educational Background of Directors

Choices	Number of Respondents	Percentage of Respondents
Science, engineering or technical	1	3
Social science or humanities	22	55
Business	14	35
Professional (law, health field, social services)	25	63
Other	11	28

Note: percentages total is greater than 100 percent due to multiple answers given.

b. Multifactor leadership questionnaire rater version 5X

A total of 146 staff and volunteers completed the MFLQ Rater version of the questionnaire, evaluating the director's leadership.

Eighty-five (85) questions are from the Multifactor Leadership Questionnaire (Bass, 1991b). The directions on the follower's questionnaires ask the subjects to "judge how frequently the person [they report to] displays the behavior described" in each statement. The directions on the leader's questionnaires ask the respondents to "judge how frequently you have displayed the behavior described" in each statement.

Respondents chose a letter response signifying how often the behavior was observed/displayed. Scoring was therefore:

Response	Refers to	Scoring
A:	Frequently, if not always	4
B:	Fairly often	3
C:	Sometimes	2
D:	Once in awhile	1
E:	Not at all	0

These are the same anchors used in the original form of the MFLQ (Bass 1985a), and explained above.

Since Bass's original research on Naval officers, numerous other studies have been done that have used the same or revised forms of the MFLQ and the same scoring scale. Figures reported by Bass on the MFLQ 5X indicated that this revised form had satisfactory reliability.

A comparison was done of how the leader (self) rated himself/herself and how the staff and volunteers (raters) evaluated that same director on nine leadership traits and three outcome categories. The results of this comparison and the organizational norms are presented in the Findings section of this paper along with correlations within traits.

D. Limitations

No method of research outside of laboratory conditions can completely control or hold all variables constant and pure. This research is no exception and I fully realize that criticism may be offered in any of the following areas.

The list of homeless service providers may not have been complete. Organizations might exist that were not part of the original master lists provided by the sources listed above. I feel confident, however, that the number would still represent a fair cross-section of the homeless service community and constitute a representative sample.

Only certain types of organizations may have participated. Of the original list of 208 sites minus the 49 sites that could not be used, there remained 159 possible sites. Of the 159 remaining, 81 agreed to participate; 40 actually did. Therefore 25 percent of possible sites did participate. There may be response bias and/or self-selection present in the participating responses compared to nonparticipants.

The findings of this research may be unique to this sample and not representative of all homeless service providers. Although 49 percent of the sites that received packets returned complete sets, 51 percent did not.

The surveys take approximately 20 to 30 minutes to complete. Someone at each organization had the responsibility of distributing and collecting the surveys and mailing them back to me, which also takes some time. This person may not have been diligent about getting all completed surveys mailed back to me.

There is also the issue of lack of control. I mailed the packets to people I talked to over the phone. Although I explained in great detail how to distribute the packets and included a letter repeating the information, there is no guarantee that they were indeed distributed in the proper fashion. It is possible that the subjects chosen to participate in the survey were not representative of the site. However several studies have indicated that the average of ratings of workers is more reliable than a single worker rating (French and Bell, 1978; Mount, 1984; Latham and Wexley, 1981; Miner, 1968). Extensive research by others has also demonstrated that phenomena such as an individual's level of performance or managerial characteristics are not evaluated the same by raters who have different relationships to the focal person (Harris and Schaubroeck, 1988; Wohlers and London, 1989). That is why in this research, several followers at each site were involved in evaluating the leader.

Another limitation is that both paid staff and volunteers rated the directors. Volunteers typically work a few hours every week. They many not spend enough time at the organization to accurately evaluate a director. Paid staff are a combination of full and part-time people. Part-time people may also not spend enough time with a director to accurately complete an evaluation.

Although the importance of planning has been demonstrated, Rhyne (1986) contends that planning is a discipline adopted by financially succesful organizations, and organizations in crisis have fewer financial resources or the stability that planning activities may require. Barry (1986) recommends that organizations in crisis should resolve their problems before becoming involved in strategic planning. Perhaps only organizations not in crisis responded to this survey.

A final issue is that the leaders of this research group were predominantly women. None of the previous studies had such a high concentration of females. Research suggests there are gender differences in the self-ratings, with women having a greater tendency to underrate their skills and performance because they tend not to take credit for success, attributing it more to external sources (Parsons, Meece, Adler, and Kaczale, 1982; Erkut, 1983; LaNoue and Curtis, 1985; Meehan and Overton, 1986; Beyer, 1990, 1992). However one recent study indicates that women are not more likely than men to underrate themselves on competencies related to effective leadership. This may reflect changing times in which women are becoming more effective and comfortable with leadership roles than they were a decade or two ago (Van Velsor, Taylor and Leslie, 1993). It may also be a unique study in which results cannot be duplicated.

E. Instrumentation

Survey questions can be grouped into several categories, planning, transformational (leadership) traits, transactional (management) traits, and outcomes (effectiveness, satisfaction and extra effort). A more detailed look at each category follows.

1. Questions on Planning

The planning section of the survey was included on the leader/director survey only. Followers did not have planning questions on their survey because their level of involvement could preclude them from having the information necessary to answer the questions. For example, in many shelters volunteers only work 4 hours or less a week, therefore they might not be able to evaluate how often planning activities are performed by a director in a week's time.

The planning portion was divided into three sections with a total of 44 questions. Each section sought information on how much time was spent on planning activities, or how frequently planning activities occurred. The planning activities that were included in this survey were adapted from those investigated in other studies including Armstrong (1982), Bryson (1988), and Boyd (1991).

a. Frequency of planning activities

The first section asks 7 questions about "how much time per month" is spent on seven different planning activities. These activities range from "settings goals and objectives" to "analyzing the effectiveness of programs." Directors were also asked how often comprehensive planning meetings are held.

b. Involvement of others in planning process

The second section queries who is involved in developing plans and programs for the organization. In one question the director was asked who was involved in developing

plans for the organization. Directors had ten different people or groups to pick from, and could indicate as many as apply. In another question the director was asked who was involved in creating programs for the homeless.

c. How often are planning activities performed

The third section requested directors to indicate how often they are involved in planning activities. Sixteen questions were included. These activities range from "analyze other treatment programs/organizations before creating new programs" to "employees complete evaluations on the effectiveness of the programs/activities that we provide" to "we conduct workshops/meetings to improve staff skills".

The remaining three questions asked about the number of times a year comprehensive planning meetings are held, whether the number of clients has increased or decreased, and whether the number of clients seeking support is expected to increase or decrease.

2. Traits and outcome questions

The second major portion of the research measured the five transformational traits, the three transactional traits, one Laissez-Faire trait, and the three outcome factors. As previously mentioned, the transformational traits are leadership oriented and the transactional traits are management oriented. The outcome factors are the feelings and actions that result from the degree of planning, leadership (transformational traits), and

management (transactional traits) demonstrated. The following is a brief summary of these questions.

a. Transformational traits

The five Transformational factors are charisma, idealized influence, inspiration, intellectual stimulation and individualized consideration. Each has a focus as shown.

1. Factor: Charisma

Charisma questions focus on how likable a leader is as well as if others want to be around this person. The questions that measure charisma have key words that identify this characteristic: "personal sacrifice," "benefit others," "calm in crisis," "people are proud to be with me," "good of group," "we will overcome," "extraordinary talent and competence," "respect," "displays power," and "acts confident."

2. Factor: Idealized influence

Idealized Influence emphasizes the moral integrity of the leader. Questions in the survey focus on key words such as: "values," "beliefs," "commitment," "purpose," "moral and ethical," "conviction," "take a stand," "trust," "sense of mission," etc. In a word, idealized influence in transformational leadership calls for credibility.

3. Factor: Inspiration

Questions pertaining to inspiration on the survey emphasize the following words and phrases: "set standards," "envision new possibilities," "optimistic," "future,"

"confident," "achieve goals," "encourage others," "what we need to do," "enthusiastic," "arouse awareness in others," and "actions match values."

4. Factor: Intellectual stimulation

Intellectual Stimulation questions on the survey emphasize concepts, ideas and problem solving and include the following key words: "rethink ideas," "new ways of looking at problems," "good reasoning," "think through ideas," and "problem solving."

5. Factor: Individualized consideration

Individualized Consideration questions on the survey emphasize that all followers are individuals with different needs, strengths and weaknesses. Questions that measure individualized consideration focus on "individual needs," "abilities and aspirations," "listening," "advice," "development of individuals and groups," "teaching," "coaching," "personal attention."

b. Transactional traits

The three Transactional Factors are contingent reward, active management by exception, and passive management by exception. Each has a focus as shown below.

1. Factor: Contingent reward

Contingent reward questions focus on what followers can expect as a result of their efforts. The survey questions emphasize words and phrases such as: "exchange," "performance standards," "what they will receive if . . .," "accomplish," "rewards," "performance goals/targets," "doing a good job."

2. Factor: Active management by exception

Questions asked on the survey include the following words and phrases: "he/she spends time looking to put out fires," "enforces rules to avoid mistakes," "searches for mistakes before commenting on my performance."

3. Factor: Passive management by exception

Passive management by exception emphasizes leaders who do not take action or offer feedback unless something is seriously wrong. Questions asked on they survey include words and phrases such as "change or action takes place only after failure or serious problem," "tell others what they do wrong," "if it ain't broke don't fix it."

c. Non leadership factor

There is one trait, Laissez-Faire, that focuses on the lack of management or leadership. Its focus is shown below.

1. Factor: Laissez-Faire

Laissez-Faire is the absences of management or leadership traits. Questions in the survey included words and phrases such as: "avoid getting involved," "making decisions," "facing problems or taking action," "absent," "fail to follow-up," and "resist expressing views."

d. Outcome factors

There are three Outcome factors, resulting feelings and behavior, that are measured and have been previously correlated with leadership. These three factors are satisfaction, extra effort and effectiveness. The are demonstrated as follows.

1. Factor: Effectiveness

Effectiveness reflects a leader's effectiveness in meeting the job-related needs of followers; representing follower needs to higher-level manager; contributing to organizational effectiveness; and performance by the leader work group. One of the four questions is: "How effective is the leader in meeting the requirements of the organization?"

2. Factor: Satisfaction

Satisfaction questions reflect how satisfied both leader and co-worker or followers are with the leader's style and methods. One of the two questions is: "In all, how satisfied are you with the leadership abilities of the person you are rating?"

3. Factor: Extra effort

Extra effort reflects whether or not followers are motivated to put forth effort beyond what is normally expected. One of the three extra effort questions is: "He/she gets me to do more than I expected I could do."

F. Analysis of data

The raw data from each survey was entered into SPSS for Windows, a statistical software package. Several analyses were done and the results of this research are presented in the next section, Findings. The analysis included central tendency and standard deviations, Z-tests, and correlation analysis. Later in the Methodology section are the alpha reliabilities for the different categories.

In the Findings section, one analysis consisted of computing the mean and standard deviation for each trait and outcome score by both follower and director. Means and standard deviation were also computed for all planning questions completed by the directors. The mean and standard deviation are the most commonly used methods to summarize the central tendency of each variable.

A second analysis used correlations between the planning, transformational, transactional, and Laissez-Faire traits and the outcomes of effectiveness, satisfaction, and extra effort. Correlations were also computed between the planning questions and the transformational and transactional traits as well as the between the planning questions and the outcomes of effectiveness, satisfaction and extra effort. The purpose of using correlations was to determine the strength of the relationship between each of the traits and each of the outcome scores.

Additionally, linear regression analysis was completed to determine if there was a relationship between effectiveness and the individual variables of planning, transformational traits, transactional traits, or Laissez-Faire traits. Multiple regression and correlation analysis were also performed to determine if effectiveness, satisfaction or

extra effort were influenced by the interaction between planning and transformational traits, planning and transactional traits, or planning and Laissez-Faire traits.

Thirdly, Z-tests also were conducted to compare the means of leaders to followers. Z-tests allow comparison of means when the sample sizes are not the same. Z-tests are most commonly used as a method of comparing mean scores for both a known population and a sample and when sample size is greater than 30. The leader sample size for this research was 40 and the follower sample size was 146. Typically t-tests are used when the size of the sample is 30 or less or when standard deviations are unknown.

A fourth analysis involved another Z-test comparing the means of the sample leaders and sample followers to previous leader results and follower results. Fifteen previous studies from a variety of industries were used as a comparison to this research. Z-tests also allow comparison of means of different sized populations and samples.

Normative information on the transformational, transactional and Laissez-Faire traits and the outcomes of effectiveness, satisfaction and extra effort are the result of 17 independent studies using the MLQ involving 1006 followers and 251 leaders (Onnen, 1987; Bass, 1985b; Bass and Avolio, 1989; 1991; Longshore, 1988; Avolio and Waldman, 1990; Bryant, 1990; and others).

G. Alpha Reliability Between Traits and Outcomes

Alpha Reliabilities were determined for each set of planning questions, as well as each set of transformational, transactional and Laissez-Faire questions and the outcome questions. Alpha Reliability focuses on groups of questions and how much they have in

common with one another. If there is a correlation between questions it is assumed to be due to the common factor. In other words, analysis was done for each set of questions related to the nine traits and three outcome scores to determine how much commonality they have. The value of alpha is on a scale between 0 and + or - 1; with 0 indicating no correlation, 1 indicating perfect correlation and -1 indicating negative correlation.

Alpha reliability was performed to determine the consistency with which directors and followers answered questions. The three tables that follow summarize the results of 1) alpha reliability between planning the other traits and outcomes, 2) how consistently directors and followers answered questions by trait and outcome, and 3) how consistent directors and followers of this research compare to internal consistencies of previous research studies.

Table II indicates consistency among planning activities and transformational traits, transactional traits, Laissez-Faire and the outcomes of effectiveness, satisfaction and extra effort. Table III indicates followers were more consistent in their responses than directors were in all categories. Table IV indicates that followers in the current research have more consistency for groupings of questions than followers of previous research for most categories. The two exceptions are consistencies for charisma and satisfaction.

Table V indicates that directors in the current research are more consistent in some categories and and less consistent in others. For example charisma is less consistent in this research compared to previous research, as is intellectual stimulation, effectiveness and satisfaction.

1. Consistency between planning questions and traits and outcomes

The following Table II shows the alpha reliability between the planning questions and transformational (leadership), transactional (management), and Laissez-Faire questions and the outcomes of effectiveness, satisfaction and extra effort. For example, there is a .90 alpha score between planning and transformational traits. This indicates that the individual questions regarding planning and transformational traits were answered the same way very consistently. Directors were consistent in how they responded to the planning activities and transformational traits. This might suggest that directors perceive planning and leadership to be similar. Further analysis of this will be addressed in the Findings section.

Table II

Alpha Reliability between Planning and
Transformational Traits, Transactional Traits, and Outcomes

Factor	Reliability (Percentages)
Transformational traits	90
Charisma	82
Idealized Influence	80
Inspirational	80
Intellectual Stimulation	82
Individualized Consideration	79
Transactional traits	80
Contingent Reward	84
Active Management by Exception	74
Passive Management by Exception	72
Laissez-Faire trait	69
Outcomes	79
Effectiveness	80
Satisfaction	77
Extra Effort	80

2. Internal consistency among directors and among followers

Reliabilities (coefficient alpha) were calculated for followers and leaders to determine the internal consistency of the multiple-item scales. In other words, how consistent were directors and followers in answering questions for each of the 9 traits and the 3 outcome scores.

As shown in Table III, alpha reliability coefficients for the MLQ Rater (Follower) Form scales are all above .80 except for active management by exception (.74). The reliability coefficients yielded a range of . 74 through .88.

The alpha reliability coefficients for the MLQ Self (Leader) Form were lower for each scale, yielding a range of .49 through .83. The lowest coefficients are for active management by exception and effectiveness. In other words leaders are not as consistent in their self evaluation of how effective they are as a leader and in making corrections when problems become apparent. Leaders are most consistent with their responses regarding the transformational traits.

Table III

Internal Consistency Reliabilities (alpha)
for Ratings completed by Followers and Self

	Follower	Leader	Combined
Transformational traits			
Charisma	.80	.73	.78
Inspiration	.85	.72	.83
Intellectual Stimulation	.86	.80	.85
Individualized Consideration	.88	.80	.87
Idealized Influence	.87	.83	.86
Transactional traits			
Contingent Reward	.87	.81	.86
Active Management by Exception	.74	.49	.54
Passive Management by Exception	.81	.72	.65
Laissez-Faire trait	.83	.72	.81
Outcomes			
Effectiveness	.87	.49	.82
Satisfaction	.86	NA	
Extra Effort	.87	.71	.85

*In previous research, Management by Exception was not broken down into an Active and Passive category as is currently the case.

Note: Planning was not included here because planning questions were not included in follower questionnaires

Each scale varied from 0 = "Not at all" to 4 = "Frequently, if not always."

There are several possible explanations for the differences in reliability between follower scores and director scores. One is that the directors interpret each item about themselves with respect to multiple followers, while followers rate a single leader.

Another possible explanation for the differences in reliability between the leader self-rating and rater forms is that the population sampled for this study is significantly different. The sample used in the present study was homogeneous to the extent that leaders of homeless shelters and programs are primarily women, and have backgrounds very different from the subjects of previous research. Followers were represented by both volunteers and paid staff, whereas previous research dealt primarily with paid employees or servicemen.

3. Consistency between current followers and previous research

In most previous research using the MLQ, the alpha reliability of the worker ratings are lower than the alpha reliability of worker ratings of this research for inspiration, intellectual stimulation, individualized consideration, Laissez-Faire, extra effort, and effectiveness. Only charisma and satisfaction had higher alpha ratings. Table IV compares the alpha reliability coefficients of followers of homeless service providers to previous research.

Table IV

Internal Consistency Reliabilities (alpha)
for Ratings completed by Followers of Current and Previous Research

	Current Research Follower	Previous Research Follower
Transformational traits		
Charisma	.80	.83
Inspiration	.85	.60
Intellectual Stimulation	.86	.72
Individualized Consideration	.88	.71
Idealized Influence	.87	NA^
Transactional traits		
Contingent Reward	.87	.82
Active Management by Exception	.74	NA*
		.62*
Passive Management by Exception	.81	NA*
Laissez-Faire trait	.83	.60
Outcomes		
Extra Effort	.87	.73
Effectiveness	.87	.67
Satisfaction	.86	.92

^Idealized Influence was not included as a separate trait in prior research.

*In previous research, management by exception was not broken down into an active and passive category, as is currently the case.

Previous research involved 1,600 followers rating 251 business and industrial leaders. Current research involved 146 followers rating leaders of homeless shelters and/or programs. Each scale varied from 0 = "Not at all" to 4 = "Frequently, if not always."

4. Consistency between current directors and previous research

Table V compares the alpha reliability coefficients of directors of homeless service providers to previous research. Charisma, intellectual stimulation, effectiveness and satisfaction were less consistent than previous research. Inspiration, individualized consideration, Laissez-Faire and extra effort were more consistent than previous research. Charisma, intellectual stimulation, effectiveness and satsifaction were less consistent than in previoius research. Why? The differences may be a result of the type of organizational setting used here - homeless service providers. The differences may also lie in the fact that most of these directors are female whereas previous research focused on the military and the corporate environment, which are both predominantly male. Without duplication of this research, it is hard to predict whether it is either of these reasons, perhaps both, or additional variables.

Table V

Internal Consistency Reliabilities (alpha)
for Ratings completed by Leaders of Current and Previous Research

	Current Research Directors	Previous Research Leaders
Transformational traits		
Charisma	.80	.90
Inspiration	.85	.84
Intellectual Stimulation	.86	.88
Individualized Consideration	.88	.85
Idealized Influence	.87	NA^
Transactional traits		
Contingent Reward	.87	.87
Active Management by Exception	.74	NA*
		.79*
Passive Management by Exception	.81	NA*
Laissez-Faire trait	.83	.77
Outcomes		
Effectiveness	.87	.93
Satisfaction	.86	.95
Extra Effort	.87	.82

^Idealized Influence was not included as a separate trait in prior research.

*In previous research, management by exception was not broken down into an active and passive category, as is currently the case.

Previous research involved rating 251 business and industrial leaders. Current research involved 40 leaders of homeless shelters and/or programs. Each scale varied from 0 = "Not at all" to 4 = "Frequently, if not always."

Summary

All efforts were made to reduce bias for this research, from compiling the sample to analyzing the data. Limitations of this research have been addressed, and an explanation of the procedure followed has been outlined. Alpha reliability indicates there is consistency in the responses provided by directors and followers, although there is greater consistency among followers.

The next section, Findings, summarizes and statistically analyzes the data further. The last section, Conclusions, summarizes the major findings and provides overall conclusions and recommendations.

IV. FINDINGS

A. Overview

The central focus of this research was to gather and analyze data from the directors and workers/followers of homeless service agencies in the Chicagoland area to better understand how the directors of these organizations plan, lead, and manage their organizations. As previously mentioned, the call for directors to be better planners, leaders, and managers has been well documented, yet the research of how well homeless service providers perform these activities is slim.

Bass's (1993) Multifactor Leadership Questionnaire Self Version 5X and Multifactor Leadership Questionnaire Rater Version 5X were used to gather information on transformational (leadership) and transactional (management) traits and outcome factors of effectiveness, satisfaction, and extra effort. Additional questions about the frequency with which planning activities occur and on the history and size of the organization were created for this research. The results of the modified MFLQ Self and Rater surveys completed by the director and 4-5 staff and volunteers of homeless service providers follows.

The following findings are broken into several sections. The first section focuses on the planning dimension. A variety of univariate analyses were performed including mean scores indicating the frequency with which planning activities are performed, as well as correlation analysis between planning and the outcome scores of effectiveness, satisfaction, and extra effort. There were three groups of planning questions. Details on the groupings are explained further in the Planning section.

The second section focuses on the leadership and management dimension including bivariate analysis on individual questions as well as groupings of transformational traits, transactional traits and Laissez-Faire traits. In addition, director scores are compared to worker scores, and both are compared to previous research scores. This latter comparison was done primarily because the sample, homeless service providers, used in this research was not similar to prior research groups, primarily business and military, yet I was curious as to whether results would be similar or not.

The third section provides the results of multiple regression analysis using first the independent variables planning, leadership, and management with the dependent variables, effectiveness, satisfaction, and extra effort. Secondly regression analysis was also performed using the interaction of planning, leadership, and management with the outcomes of effectiveness, satisfaction, and extra effort.

Although detailed statistics and text are provided later in this chapter, overall findings from this research indicate that for directors:

1. Planning is consistently related to effectiveness and extra effort, but not to satisfaction when using bivariate correlation analysis. Although transformational traits are also correlated to effectiveness and extra effort, planning has a stronger relationship to effectiveness than any of the other individual traits.

2. None of the independent variables; planning, leadership, or management, have a statistically significant relationship with the dependent variables; effectiveness, satisfaction, or extra effort when using multiple regression analysis.

However followers, whose evaluations are considered much more reliable, reflect different findings. Although detailed statistics and text are provided later in this chapter, overall findings from this research indicate that for followers:

1. Transformational traits have the strongest relationship to effectiveness, satisfaction, and extra effort when using bivariate analysis.

2. Planning is correlated to effectiveness when using multiple regression analysis. Planning alone does not impact satisfaction or extra effort.

3. The interaction of planning and transformational traits has the most significant positive relationship with effectiveness, satisfaction, and extra effort of any of the independent variables when using multiple regression analysis.

4. Transactional traits have no relationship with effectiveness, satisfaction, or extra effort.

5. The interaction of planning and transactional traits, have a statistically negative relationship with effectiveness, satisfaction, and extra effort. The interaction of planning and Laissez-faire traits have a statistically negative relationship with effectiveness and satisfaction.

B. Planning Dimension

1. Overview

The planning dimension is an important part of this research. As previously outlined, there are numerous reasons to study the effect of planning in nonprofit organizations, including the large number of organizational closings (Bielefeld, 1994), high turnover of staff and volunteers, reductions in funding (Abramson and Salamon, 1986; Young and Sleeper, 1988), increased public demand for effective use of resources (Drucker, 1989), and the positive relationship that exists between planning and organizational performance (Van de Ven, 1980; Odom and Boxx, 1988; Bryce, 1992; Hay, 1991).

Although many researchers have argued that nonprofit organizations need and could greatly benefit from some version of planning (Bryson, 1988; Conrad and Glenn, 1976; Espy, 1986) and despite the fact that formal planning techniques for nonprofit organizations are numerous (Barry, 1986; Bryson, 1988; Hardy, 1984; Unterman and Davis, 1984), too many nonprofit organizations resist and deny the need for planning (Espy, 1986; Powers, 1990; Unterman and Davis, 1982).

This research seeks information on what homeless service organizations are doing in terms of planning activities, and how these planning activities correlate to effectiveness, satisfaction, and extra effort. The planning questions that were included in this survey were adapted from those investigated in other studies including Armstrong (1982), Bryson (1988), and Boyd (1991) and focused on specific planning activities such as setting goals and objectives, training of staff and volunteers, evaluating programs, involving others in goal setting, etc. There were several sections of planning questions asked of directors only. Only directors were asked because it was considered unlikely

volunteers who only work a few hours per week would have the knowledge necessary to respond to the questions.

One planning section asks directors for the number of hours spent per month on 7 different planning activities. Overall responses are included in Table VI.

A second set of questions asks who else is involved in developing plans and creating programs. There were 9 categories of people including staff and volunteers as well as members of government agencies. Overall responses are included in Table VII. This section also asked if comprehensive planning meetings are held and if so, how often they meet. A summary is included following Table VII.

A third section of planning questions inquires about organization's size and with what frequency do planning activities occur, summarized in Table VI, as well as how much involvement there is with other organizations, corporations and community, summarized as part of several tables.

2. Time spent on planning activities

Although strategic planning has been considered a useful tool for nonprofit organizations (Bryson, 1988; Conrad and Glenn, 1976; Espy, 1986) many researchers have argued that nonprofits need to make a much stronger commitment to planning (Firstenberg, 1979; Keating, 1979; Drucker, 1990a, 1990b; Steiner, Gross, Ruffolo and Murrary, 1994; Kearns and Scarpino, 1996). Siciliano (1997) is one of several researchers who feels directors probably do not spend as much time on planning activities as they should. And although some planning activities are performed by some nonprofits,

not enough is known about the occurrence of the activity or the amount of time spent on the various activities.

This research has found that most of the planning activities are performed by the majority of the nonprofit organizations. However, there are great variations and some organizations either do not perform certain planning activities or do not spend much time as other organizations on certain activities. However, overall the results are positive, and it appears that directors value planning. This becomes evident in the analysis section that follows.

The first set of planning questions focused on how much time directors spend each month on 7 specific planning activities. Table VI summarizes that information. For example, 48 percent of the directors indicated they spent 1-3 hours per month on "setting goals and objectives, and another 48 percent of the directors spend more time.

There are several interpretations that can be made from this table. On the positive side is that the greatest percentage of directors spend some time each month on each of the planning activities listed. In terms of time spent on planning activities, the majority (66 - 88 percent) of organizations spend 1 - 10 hours per month on all planning activities except "training and development of staff and volunteers," where 83 percent spend more time (4 - 14 hours per month).

On the delta side - what might be done differently - 5 percent to 33 percent of the directors do not spend any time on specific planning activities. The two planning activities that receive no time by 23-33 percent of the directors were "searching for new sources of funding/donations" and "revising programs and support services." The lack of time given to attracting funding from additional sources is great cause for concern as lack

of funds is the primary reason cited for shelters closing their doors. Fifty-three percent of the directors indicate they spend less than 3 hours per month on this activity and 33 percent spend no time. As previously detailed, government funding has become the single most important source of income for nonprofits (Salamon, 1995; Pynes, 1997). Most nonprofit depend on government funding for over half of their revenues; for small agencies government support may be the entire budget (Pynes, 1997; Lipsky and Rathgeb Smith, 1989-1990). Yet government cuts and increasing numbers of nonprofits mean there is less to go around. Apparently many nonprofits are not responding to this problem.

Potentially problematic is the fact that approximately 50 percent of the directors surveyed spend less than 4 hours per month on "setting goals and objectives," "gathering information about clients served," "analyzing information about clients served," "searching for new sources of funding/donations," and "revising programs and support services." It is difficult to assess if spending less than 4 hours per month on each of these activities is enough.

Table VI

Percentage of Organizations which Spend Time on Planning Activities

Activity	Hours per month spent on activity				
	No time	1-3	4-10	11-14	15+
Setting goals and objectives	5	48	40	3	5
Analyzing the effectiveness of programs	5	35	45	3	13
Training and developing staff and volunteers	10	5	43	40	3
Gathering information about clients served	15	45	25	0	15
Analyzing information about clients served	5	43	25	0	28
Searching for new sources of funding/donations	33	18	30	0	20
Revising programs and support services	23	33	33	0	13

N=40
Note: Percentages may not total to 100% due to rounding.
(For example, 48 percent of the organizations surveyed spend 1-3 hours per month on "Setting goals and objectives."

3. Participatory planning

As previously outlined in the Literature review section, involvement of others in the planning process has been quite mixed. Siciliano (1997) suggests directors of non-profits take a stronger leadership role in strategic planning and involve others, including board members and paid staff. Webster and Wylie (1988) encourage using a variety of people in the planning process, but found that most organizations use the director and board members. Hardy (1984) and Siciliano (1997) found that executive board committees are too busy to devote the necessary time to strategic planning activities. Siciliano also found that creating a strategic planning committee composed of members including the director, board, staff and others generated the most formal plans in terms of development of long-range goals and action plans as well as in the monitoring of results.

The involvement of other people in developing plans for the organization and in creating programs is an important part of planning (Bryson and Crosby, 1992). Contrary to previous research, the majority of directors in this research study indicate they involve a wide variety of people in developing plans and creating new programs. The participating organizations indicated they involve the following people in either or both categories as shown in Table VII.

As Table VII indicates, almost half of the responding organizations involve clients in both developing plans and creating programs. Most organizations also involve paid staff and approximately half involve volunteers. This figure was much higher than anticipated, but is also an indication some volunteers are not made to feel they are a contributing part of the big picture involving homeless shelters and services. It may be significant that 30 percent or less involve leaders in the community in developing plans and creating programs.

Table VII

Number (Percentage) of sites who use other People
In Developing Plans and Creating Programs

Individuals Used	Developing plans	Creating programs
Director	37 (93%)	37 (93%)
Paid Staff	37 (93%)	36 (90%)
Leader	34 (85%)	38 (95%)
Board Members	34 (85%)	27 (68%)
Members of Government Agencies	21 (53%)	19 (48%)
Clients	19 (48%)	18 (45%)
Volunteers	16 (40%)	21 (53%)
Leaders in the community	12 (30%)	11 (28%)
Other	4 (10%)	4 (10%)

N=40

How often do these people get together? Seventy-four percent of the organizations stated they have comprehensive planning meetings from 2 - 12 times a year, 23 percent have 0 -1 a year. The remainder indicated they did not know. This would indicate that planning meetings are held on a regular and ongoing basis, but it is not known how "comprehensive" these meetings are. It would appear doubtful that truly comprehensive planning sessions are held as often as 12 times a year. It is likely that there are monthly meetings where short-term planning issues are addressed.

4. Frequency with which planning activities are performed

Many nonprofit organizations defy planning, primarily because of a lack of time, staff, lack of planning experience, and lack of control (Espy, 1986; Powers, 1990). Although scholars have outlined frameworks for nonprofit strategic planning (Bryce, 1992; Hay, 1991; Nutt and Backoff, 1994; Bryson, 1988, 1995) little is known about how often directors and/or organizations perform the activities.

In this research, the third set of planning questions seeks to determine how often planning activities are performed. Most of the 14 questions use the terms "we" and "our." For example, "we conduct workshops to improve staff skills." Only question 134 asks the director how often he/she "evaluates the organization's effectiveness. . . ". In addition, question 128, "we try and get stories written about us in the newspaper to make the community aware of our programs and the needs of our clients" was asked because, as previously mentioned, nonprofits must get their stories into print to survive financially in an increasingly competitive marketplace in addition to being able to attract volunteers (Martens, 1996).

Table VIII summarizes planning questions 123-136. This table shows the percentage of organizations that do not perform the planning activity as well as the mean score of the organizations that do perform the activity. Mean scores were used to give an overall sense of central tendency for those that perform the activity.

There are 6 planning activities that occur "fairly often" and are performed by at least 95 percent of the directors surveyed. The top planning activities centered on having goals and objectives are in written form that are created and shared with staff. Soliciting support and donations from individuals and from corporations, and allocating funds based

on predetermined goals are also among the most frequently performed planning activities as indicated in Table VIII.

It is also significant to identify the planning activities performed least often. The activity least likely to be performed is evaluations by employees on the effectiveness of the organization. Fifteen percent of the leaders said they did not have employees complete evaluations on the effectiveness of the programs/activities that their organization provides. Only 35 percent said they have employees complete evaluations "fairly often" to "frequently, if not always", the remaining 50 percent completed them "once in awhile" to "fairly often." This indicates a gap in what the emphasis for these activities actually is versus what literature suggests is important. Kearns, Krasman and Meyer (1994) found that employees have the deepest understanding of how to improve processes. And as will be shown later, it also indicates a gap between what directors correlate is important to satisfaction of followers.

There are also two other planning activities that only occur "sometimes." The first activity that is not performed often is "Work with other agencies to develop and coordinate long-term plans." As previously mentioned in the literature review, nonprofits need to work with other agencies and organizations to achieve results (Bryson and Crosby, 1992). Working with other homeless service organizations is a necessary action to make the best use of resources and impact the most effective outcome. For followers, it is also correlated to the outcome extra effort as indicated later in Table XVI.

The second planning activity that is not performed often is "Goals and objectives are shared with volunteers." Since the majority of workers are volunteers it would seem that sharing objectives with volunteers would make sense and be more motivating for the

volunteer. The Gallup study (1992) outlined key sources of dissatisfaction from volunteers that causes them to drop out of the organization, and one source was lack of clear understanding of the organization's purpose and nature of the volunteer's job. However, followers did not indicate a high correlation between "sharing goals and objectives with volunteers" and how they evaluated the effectiveness of the leader, nor in their level of satisfaction with the leader nor in the amount of extra effort they were willing to put forth. This is indicated later in Tables XII, XIV, and XVI.

Table VIII

Frequency with which Organizations Perform Planning Activities

% of organizations which do not perform activity	Activity	Mean Score of organizations who perform activity
2.5	Goals and objectives are in written form	3.5
2.5	Goals and objectives are shared with staff	3.4
5.0	Solicit support and donations from corporations	3.0
2.5	Employees contribute ideas and help set goals	3.1
5.0	Funds are allocated based on predetermined goals	3.0
5.0	Meet with other agencies to discuss programs	2.9
2.5	Analyze other programs before creating new programs	2.8
2.5	I evaluate organization's effectiveness	2.8
7.5	We conduct workshops/meetings to improve staff skills	2.8
12.5	We try to generate publicity to increase community awareness	2.7
2.5	Work with other agencies to develop and coordinate long-term plans	2.4
7.5	Goals and objectives are shared with volunteers	2.4
15.0	Employees complete evaluations on effectiveness of organization	2.0

Key: The five possible responses and values were: 4 = Frequently, if not always, 3 = Fairly often, 2 = Sometimes, 1 = Once in awhile, and 0 = Not at all.

5. Size of organization

Previous research has suggested that organization size and strategic planning are correlated, and formalized planning seems to be undertaken primarily by medium- to large-sized firms (Lindsay and Rue, 1980; Pearce, Freeman, and Robinson, 1987; Siciliano, 1997). Therefore two questions on size were included in this research. The first asked how many full and part-time paid staff were employed by the nonprofit. The second question asked how many volunteers assist the organization in an average month. The following tables indicate the number of paid staff and volunteers, followed by

categorizing them as small, medium or large, and finally correlating size with responses to planning questions.

As Tables IX, X, and XI indicate, when organizations are broken down by the number of people, staff and volunteers, working at the organization, there is great similarity between the mean scores of traits and outcomes and well as the mean amount of time spent on planning activities. This is in contrast to previous literature findings. Additional analysis using multiple regression is presented later in this chapter to determine if size influences traits or outcomes.

a. Mean number of staff and volunteers

Although the number of paid staff and volunteers varied greatly (1 - 3000 people), Table IX breaks organizations into three categories: small, under 30 staff and volunteers; medium, 31 - 100 staff and volunteers; and large, those organizations with more than 100 staff and volunteers.

Table IX

Number of Followers by Size of Organization

Size	Number of Organizations	Total Employed	Mean Number of Staff	Mean Number of Volunteers
Small				
< 30	15	287	8.8	10
Medium				
31 - 100	9	466	21	34
Large				
>100	15	6218	160	254
	14	3218*	160*	58*

N=39

Note: The number of organizations does not total 40 because one director did not answer these questions.

*One organization cites 3000 volunteers which significantly distorts the <100 category. If that organization is not included, the number employed and means are as indicated.

b. Range in the number of staff and volunteers

The range in the number of staff and volunteers was great, as indicated in Table X. Approximately 6,971 people work in homeless service organizations either in a paid staff (2,731) position or as a volunteer (4240). As would be expected, most organizations have more volunteers than paid staff.

Table X

Range in the Number of Followers by Size of Organization

Size of Organization	Range of Number of Paid Staff	Range of Number of Volunteers
Small	2 - 23	1 - 40
Medium	8 - 54	8 - 65
Large	16 - 350	2 - 3000

N=39

Note: small <30 staff and volunteers, medium is 31-100 staff and volunteers and large is >100 staff and volunteers.

c. Means of planning questions based on size

In Table XI, the means of each set of planning questions are shown by the size of organization. Organizations were designated as either small (30 or less followers), medium (31-100 followers) or large (more than 100 followers).

Analysis of variance, ANOVA, was computed on the means of planning questions and outcomes listed in Table XI, and results are indicated in the last column. Based on this sample, size does not appear to indicate how often organizations perform planning activities. This does not hold up to previous findings (Lindsay and Rue, 1980; Pearce, Freeman, and Robinson, 1987; Siciliano, 1997). However, size may affect how much time per month in spent on planning activities.

Interestingly, size does not affect the outcome factors of effectiveness, satisfaction or extra effort for directors of homeless service organizations. Findings are presented in Table XI.

Table XI

Means of Planning Questions and Outcomes Based on Size of Organization

	Small	Medium	Large	ANOVA Results
Planning traits				
Planning~	1.83	1.75	1.70	*
Planning^	2.94	2.73	2.83	
Outcome factors				
Effectiveness	2.91	2.83	3.10	
Satisfaction	3.13	3.00	3.36	*
Extra Effort	3.12	2.78	3.07	

~ Planning questions 88-94 ask: How much time per month do you spend on planning activities? Responses indicate 1 = 1-3 hours per month, 2 = 4-10 hours per month, 3 = 11-14 hours per month.

^Planning questions 123-136 ask: How often do you perform the following planning activities? Key: The five possible responses and values were: 4 = Frequently, if not always, 3 = Fairly often, 2 = Sometimes, 1 = Once in awhile, and 0 = Not at all.

n for small organizations was 15
n for medium organizations was 9
n for large organizations was 15

ANOVA - * indicates three means are not the same as a result of ANOVA testing
Ho: means from three different sizes (small, medium and large) are the same.
H1: means from three different sizes are different
Decision Rule: Accept Ho: if computed F ratio is less than or equal to critical table value of F
Reject Ho: if computed F ratio is greater than critical table value of F.

6. **Tenure of volunteers, staff and clients.**

Volunteers are critical to the success of most nonprofit organizations (Kotler and Andreasen, 1996). People volunteer for a variety of reasons (Puffer, 1987; Puffer and Meindl, 1995), as well as resign for a variety of reasons. For many, volunteering is a sideline (Kotler and Andreasen, 1995), consequently the degree of involvement and attachment is less than that for a typical career-type job. It is estimated that approximately one-third of volunteers vanish from an organization on a yearly basis.

Paid staff of nonprofit organizations seek work that is both personally challenging and socially meaningful (Onyx and Maclean, 1996), but typically earn 7 percent to 30 percent less than their forprofit counterparts (Preston, 1990). Women comprise 70 to 80 percent of the nonprofit staff. Retention figures vary dramatically, but in a recent study (Onyx and Maclean, 1996), nonprofit employees had an average of 3.6 positions over a ten year period, and spent an average of 3.2 years in their last position. There was wide variation of tenure, however and some workers change jobs much more frequently.

Because of the overall trend of high turnover for nonprofit staff and volunteers, two questions were included in the survey that asked directors how long typical staff members and volunteers remained with the organization.

The length of time volunteers stay on with the organization is "more than two years" 40 percent of the time, and "one to two years" 38 percent of the time. Paid staff stay "more than two years" 75 percent of the time, and "one to two years" 23 percent of the time. To stay on with an organization for more than two years, it is assumed that both workers and volunteers are at least somewhat satisfied with the organization and their role in it.

Yet more than one-third of the volunteers and almost one-fourth of the staff leave after one to two years. These figures seem somewhat typical of other nonprofit organizations.

Although the figures fall within previous norms, we do not know if it is for the same reasons. Is it because they don't feel they are making a difference, it's depressing work, they don't have enough time, burnout, they don't feel part of the big picture, the leadership or management isn't to their liking or some other reason? This research did not attempt to uncover why, but causes of and factors in leaving would certainly be topics for further research.

The third area of concern involves the number of clients. Nationwide the problem of homelessness is not going away. In fact, despite many efforts, the number of people seeking assistance from homeless service providers is increasing. In the 1997 U. S. Conference of Mayors Report on Homelessness, 3 percent more people sought shelter during 1996 than in 1995. Six of every 10 cities say homelessness is increasing; nearly 9 in 10 cities are turning people away from shelters (Wolf, 1997). Demand for food rose by 16 percent, the largest increase in five years. One in four of those seeking shelter, and one in five of those seeking food were turned away in 1996 (U. S. Conference of Mayors Report, 1997). Government officials predict even tougher times in 1998.

In order to compare this research to other research findings, two survey questions were asked regarding the number of clients served. The first asked directors if the number of clients served had increased, decreased or stayed about the same since the previous year. The second question asked directors if they anticipated the number of clients seeking support in the future would increase, decrease or stay the same.

The number of clients served in the last year increased from the year before in 73 percent of the organizations, staying the same in the remaining 27 percent. Not one organization experienced a decrease in the number of clients served. This supports the concept that the number of homeless is increasing, although it is unknown what percentage increase each organization experienced.

The organizations which expect the number of clients seeking support over the next two years to increase was 80 percent, while those expecting it to "stay the same" was 20 percent. These findings and expectations match most previous research.

7. Correlations between specific planning questions and outcome scores

As previously mentioned, there are three outcome scores. Effectiveness, satisfaction and extra effort have previously been found to be the correlated to transformational (leadership) traits, and to a lesser degree, transactional (management) traits. This research sought additional information on crrelations to these traits as well as a third trait, planning. This section indicates how specific questions on planning correlate to each of the outcomes of effectiveness, satisfaction, and extra effort.

As reported earlier, there has been much debate about the meaning of effectiveness. Research indicates that bosses and subordinates have different ways of defining effectiveness (Castaneda and Nahavandi, 1991). A director may focus primarily on outcomes and whether projects are completed on a timely basis, whereas followers

may focus on openness with the director and the attention individual followers receive (Nahavandi, 1997).

For this research four questions regarding effectiveness were presented to followers. These questions ask how effective the director is in meeting job-related needs and the needs of the organization. Directors were also asked four similar questions on how effective they feel they are. Correlation analysis was performed to determine if there is a relationship between planning activities and effectiveness.

Satisfaction reflects how satisfied both director and co-workers or followers are with the director's style and methods as well as how satisfied they are in general with the directors (Avolio, Waldman and Einstein, 1988; Bass 1985a; Hater and Bass, 1988; Waldman, Bass and Einstein, 1987).

For this research, followers were asked two questions regarding satisfaction. These questions asked how satisfied they were with the overall leadership ability of the director as well as methods the leader uses to get things done. Directors were asked one question on how satisfied they are with the method of leadership they use. Correlation analysis was performed between the planning questions and satisfaction questions to determine if there is a relationship.

As previously mentioned, the level of effort a person exerts in doing work is influenced by many factors including individual choice, peer norms, nature of the task or job, and the level of desire to please the supervisor (Porter, Lawler, and Hackman, 1975). Other than individual choice, the remaining factors all can be affected by the leader. Lawler and Hackman (1969) also found that the level of participation in planning and

decision making had a significant effect on the amount of effort (or extra effort) an individual is willing to put forth.

Do any of the planning activities performed by the director of the organization correlate with higher levels of extra effort? In other words, do followers exert effort beyond the ordinary as a consequence of planning? Three questions were asked of both followers and directors focusing on extra effort. Correlation analysis was performed to determine if there is a relationship between them.

Overall director scores indicate higher correlations to effectiveness, satisfaction, and extra effort than follower scores. Setting goals and objective and evaluating the effectiveness of programs have the highest correlations, similar to Siciliano's findings (1997).

Although followers scores indicate lower correlations to effectiveness, satisfaction, and extra effort, followers did have high correlations between certain planning activities and effectiveness, satisfaction, and extra effort. Setting goals and objectives, sharing goals and objectives, evaluating effectiveness and working with other support agencies (participatory planning) have the strongest correlations to the outcomes. In other words, followers indicate that directors who set goals and objectives, who share them with staff and volunteers, who provide a means for evaluating effectiveness of programs, and who involve other agencies and services are more effective, satisfying to work for, and evoke extra effort from followers than directors who do not perform these activities.

The following provides specific information on planning questions 123-136 and the outcome of effectiveness. As previously indicated, questions 123-136 use the same scale as the outcomes of effectiveness, satisfaction, and extra effort.

a. Correlations to effectiveness

One section of the planning questions measured how often planning activities are performed. Followers did not indicate responses that show a statistically significant relationship between the entire planning grouping and effectiveness. However, two planning activities seem to be significantly correlated to how followers perceive the effectiveness of the directors. As Table XII indicates, "setting goals and objectives," and "analyzing the effectiveness of programs" are the two planning activities that workers most often correlate to the effectiveness of their director. Mean scores in Table XII indicate how often directors reported performing the activities. In additional analysis, 89 percent of directors indicate they spend 1-10 hours per month setting goals and objectives, 10 percent spend 11-15 or more hours per month.

Table XII

Planning Activities Followers Correlated to
Director's Effectiveness

Activity	Correlation to Effectiveness	Mean Score of Directors
I set goals and objectives	.32	3.2
I analyze the effectiveness of programs	.38	2.8

Follower N=146
Director N = 40
Note: For mean score of directors, 4 = Frequently, if not always, 3 = Fairly often, 2 = Sometimes, 1 = Once in awhile, and 0 = Not at all.

Directors have a slightly different perspective of planning and effectiveness, with a positive correlation with effectiveness of .59. Four specific planning questions had higher correlations than others, as indicated in Table XIII. These activities focused on having goals in written form, sharing goals with staff and volunteers, and conducting workshops for staff. Additional analysis indicates spending 1-10 hours per month on these activities had the highest correlation with effectiveness. Other options included no time to 11 hours or more per month.

Table XIII

Planning Activities Directors Correlated to Effectiveness

Activity	Correlation to Effectiveness
Our goals and objectives are shared with volunteers to review	.50
Our goals and objectives are shared with staff to review	.49
Our goals and objectives are in written form	.47
We conduct workshops/meetings to improve staff skills	.45

N=40

b. Correlations to satisfaction

Although there was no correlation for followers between the overall category of planning questions and satisfaction, there once again was correlation between two specific questions and satisfaction. These are the same questions that were correlated with effectiveness. In other words, how satisfied workers are with leaders is correlated to how much time leaders spend on setting goals and objectives and analyzing the effectiveness of programs, as indicated in Table XIV.

Table XIV

Planning Activities Followers Correlated to Satisfaction with Director

Activity	Correlation to Satisfaction	Mean Score of Directors
I set goals and objectives	.32	3.2
I analyze the effectiveness of programs	.43	2.8

Follower N = 146
Directors N=40

Note: For mean score of directors, 4 = Frequently, if not always, 3 = Fairly often, 2 = Sometimes, 1 = Once in awhile, and 0 = Not at all.

Although there was no correlation for directors between the overall planning section and satisfaction, four specific activities were found to be statistically correlated. As Table XV indicates, these activities focus on goals and objectives as well as evaluating effectiveness. In addition, directors indicated spending 1-3 hours per month on planning activities had the highest correlation with satisfaction. Other options were "no time" to 4 hours or more per month.

Table XV

Planning Activities Directors Correlated to Satisfaction

Activity	Correlation to Effectiveness
I evaluate the organization's effectiveness based on predetermined goals and objectives	.49
Our goals and objectives are shared with volunteers to review	.36
Our goals and objectives are shared with staff to review	.35
Employees complete evaluations on the effectiveness of the programs/activities that we provide	.34

N=40

c. Correlations to extra effort

Despite the low overall correlation for followers between planning and extra effort, there are some questions/activities that are highly correlated to extra effort. Table XVI indicates the most highly correlated questions as well as the mean score directors reported for that activity.

Although 75 percent of the organizations "work with other agencies" "fairly often" to "frequently, if not always," 25 percent do "not at all" to "sometimes. It would seem that these 25 percent may be unintentionally limiting the amount of effort followers are willing to put forward, in addition to minimizing the shared power that working with other organizations has been shown to help create.

Having goals and objectives in written form has the highest correlation of all the planning activities to the outcome of extra effort. Eighty three percent of the directors surveyed indicated they do so "fairly often" to "frequently, if not always." Fifteen percent indicated they do so "not at all" to "sometimes." Again it is very positive that most organizations perform the activity, but disappointing that so many do not do so as often as previous research supports they should.

Sharing goals and objectives with staff to review is also highly correlated to the amount of extra effort followers are willing to put forth. The majority of directors, 83 percent, indicated they do so "fairly often" to "frequently, if not always." Unfortunately, 18 percent indicate they do so "not at all' to "sometimes."

Conducting workshops to improve staff skills is also highly correlated to extra-effort. Although the majority of directors, 60 percent indicate they do so "fairly often" to

"frequently, if not always," 38 percent indicate they do so "not at all" to "sometimes." It is the planning activity with the lowest mean score.

Table XVI

Planning Activities Followers Correlated to Extra Effort

Activity	Correlation to Extra-Effort	Mean Score of Directors
Our goals and objectives are in written form	.42	3.5
Our goals and objectives are shared with staff to review	.41	3.4
We conduct workshops to improve staff skills	.40	2.8
We offer services that are best described as treatment oriented; that is treating the problem	.40	3.6
We meet with members of other support agencies in the area to discuss our programs and organizations	.38	2.9

Followers N=146
Leaders N=40

Note: Director's Mean Score ranking, 4 = Frequently, if not always, 3 = Fairly often, 2 = Sometimes, 1 = Once in awhile, and 0 = Not at all.

Overall there was a positive correlation of .44 for directors between this set of planning questions and extra effort. Specific questions that were highly correlated with extra effort are shown in Table XVII. In addition, several questions/activities were correlated to the amount of extra effort followers are willing to put forward. Once again, having goals and objectives in written form that are shared with staff to review are most highly correlated. Conducting workshops for staff and analyzing other treatment programs/organizations are also activities that directors correlate to the amount of extra effort workers are willing to put forth. Director responses indicate that spending 1-3 hours per month on planning activities had the highest correlation with extra effort also. Other options were "no time" to 4 hours or more per month.

Table XVII

Planning Activities Directors Correlated to Extra Effort

Question/Statement	Correlation to Extra Effort
Our goals and objectives are in written form	.42
Our goals and objectives are shared with staff to review	.41
We conduct workshops/meetings to improve staff skills	.40
We analyze other treatment programs/organizations before creating new programs	.38

N=40

8. Summary

In summary, directors are more likely to correlate planning with effectiveness, and extra effort. However, certain planning activities are more highly correlated. Workers/followers did not correlate the overall planning category with effectiveness, satisfaction or extra effort. However, certain specific planning activities were correlated. The amount of time spent on these activities varies significantly in various organizations, as does the involvement of others in planning. Although the number of staff and volunteers per organization varies, size does not appear to indicate whether planning activities take place.

The next section analyzes the second major component of this research, the transformational (leadership) and transactional (management) traits and their relationship to the outcomes of effectiveness, satisfaction, and extra effort.

C. Leadership and management dimension

1. Overview

There is general agreement in research and literature that leadership and management are two different concepts as previously explained in the literature review section. Yet there is tremendous value in both (Bass, 1985; Kotter1988). Few organizations have great managers and great leaders. Some organizations may have one or the other, some have neither (Kotter, 1988 and 1991).

Bass (1985a) has modified previous leadership trait theories and identified five transformational leadership factors. Charisma, inspiration, idealized influence, intellectual stimulation, and individual consideration are associated with transformation

(leadership) and have been previously explained in detail. Transactional (management) factors include active management by exception, passive management by exception and contingent reward. The lack of leadership or management is identified as Laissez-Faire. Research indicates that the most optimal profile for a director is that represented by a high frequency of occurrence of behaviors associate with transformational factors and the transactional factor, contingent reward (Waldman and Bass, 1985).

McClendon and Quay (1988), Nygren, Ukeritis, Mclelland and Hickman (1994), Wolch and Rocha (1993), Powers (1990) and others have identified the need nonprofit organizations have for better management and leadership skills. Other scholars have also called for more research on accountability and effectiveness of nonprofit organizations (Rossi and Freeman, 1989; Lindblom, 1991). It is natural, therefore, to attempt to evaluate homeless service organizations in terms of their leadership and management, and their effectiveness.

This research seeks to utilize Bass's Multifactor Leadership Questionnaire to measure the occurrence of leadership and management behavior and to correlate it to the outcomes of effectiveness, satisfaction, and extra effort. As previously explained, effectiveness reflects a leader's effectiveness as seen by both self and others. Satisfaction reflects how satisfied both the leader and followers are with the leader's style and methods, as well as how satisfied they are in general with the leader. Extra effort reflects the extent to which followers exert effort beyond the ordinary as a consequence of the leadership (Bass, 1990)

Several analyses were completed on the five transformational traits (charisma, inspiration, intellectual stimulation, individualized consideration, idealized influence) the three transactional traits (contingent reward, passive management by exception, active

management by exception) and the lack of either set of traits (Laissez-Faire) as well as the three outcomes (extra effort, satisfaction and effectiveness), comparing the follower sample to the leader sample and this research to prior research.

Several analyses were also completed on the amount of time and frequency that planning activities were performed and how that relates to the leadership traits, the management traits and the outcome scores.

Findings of this research are presented below in the order that follows

- means and standard deviations of director group
- means and standard deviations of follower group
- Z-tests comparing sample follower/worker scores to previous norms.
- Z-tests comparing sample directors scores to previous norms.
- correlations between the nine traits and the outcomes of effectiveness, extra effort and satisfaction.

Means were used as a measure of central tendency, standard deviation was used as a measure of how far away items in the research are from their mean. Z-tests compare different means to see if they are statistically similar or different. Correlations between the traits and outcomes indicates the closeness of any association between variables

Although both director and leader scores and analysis are provided here, previous research (Bass and Yammarino, 1991; Bass and Avolio, 1990) suggests using followers'

descriptions of leaders for research purposes due to the higher reliabilities: leaders tend to inflate their ratings in comparison to those received from followers.

2. Means and variances for each question

The means and variances for the 138 items in the leadership (self) format were calculated to get a sense of central tendency and variation. A summary of the questions with the highest and the lowerst mean scores follows.

a. Summary of leader (self) scores

The highest mean scores that leaders/directors rated themselves on are explained first followed by the lowest mean scores that leaders rated themselves on.

The leader behavior reported most often, with a mean score of 3.77, was idealized influence, Variable 33, "I consider the moral and ethical consequences of my decisions." Thirteen questions had mean responses of 3.5 or above, indicating behavior between "frequently, if not always" (4 points) and "fairly often" (3 points). Of these thirteen, four related to idealized influence, three related to individual consideration, two related to intellectual stimulation, two related to inspirational and two related to charisma. All thirteen questions are part of the transformational group of questions.

The leader behavior reported least often, with a mean of .13, was Laissez-Faire, variable 10, "I take no action even when problems become chronic." Sixteen questions

had mean responses of less-than-one, indicating behavior that occurs "once in awhile" (1 point) and "not at all" (0 points). Of these sixteen questions, eight related to Laissez-Faire, five related to passive management by exception, and two related to active management by exception. Both passive and active management by exception are part of the transactional group of questions.

The variable with the largest amount of variance (1.47) was Variable 62, "Those I lead earn credit with me by doing their tasks well." Variable 10, "I take no action even when problems become chronic" had the least amount of variation (.34). Variable 62 is a measure of contingent reward and Variable 10 is a measure of Laissez-Faire.

b. Summary of follower (rater) scores

The leader behavior reported most often by followers, with a mean score of 3.72, was inspirational leadership, Variable 76, "Shows determination to accomplish what he/she sets out to do." Variable 76 also had the lowest standard deviation or amount of variance between answers. In other words, almost all sites used in this sample have workers who consistently felt their director demonstrated this behavior.

Only one other question had a mean response of 3.5 or higher, indicating behavior between "frequently, if not always" (4 points) and "fairly often" (3 points). Variable 9, "Treats me as an individual rather than just a member of a group" (a measure of individual consideration) had a mean response of 3.62. Both of these variables are part of the transformational group. In other words, most workers feel their director treats people as individuals.

The leader behavior reported least often by followers, with a mean score of .28 indicating behavior between "not at all" (0 points) and "once in awhile" (1 point), was Laissez-Faire, Variable 10, "Takes no action even when problems become chronic." Seventeen (17) items had mean responses of one-or-less (<1). Of these 17, eight were Laissez-Faire, five were passive management by exception and three were active management by exception. The two types of management by exception, passive and active, are transactional variables.

The greatest amount of variance (1.49) occurred for Questions 8 and 24. Variable 8, "Gives me what I want in exchange for my support" and Variable 24, "Works out agreements with me on what I will receive if I do what needs to be done" both measure the trait contingent reward. It would appear that there is great variation on the amount of contingent reward different directors exhibit.

3. Comparison of current to previous research

Previous research utilizing the Multifactor Leadership Questionnaire has involved samples from the military, Fortune 500 companies, hospital administrators and staff, religious ministers and parishes, and others (Avolio and Waldman, 1990; Avolio, and Bass, 1988; Bass and Avolio, 1994a, 1994b, 1994c; Bass, Avolio and Goodheim, 1987; Bass and Yammarino, 1991; Medley, 1986; Onnen, 1987; and others).

The following section compares the results of this research to research studies performed by others using Z-testing. Z-testing is a procedure used to compare the

distribution of a variable between two nonrelated groups. Z-test comparisons are made first for current followers to followers in previous studies. Secondly a Z-test comparison is made of current leaders to leaders in previous studies. The Z-test was chosen because the means and standard deviations of the sample and the previous norms (population) are known and because the sample size is greater than 30.

a. Comparisons of sample follower/worker scores to previous norms

A Z-test was used to compare the trait and outcome means of the follower sample to the trait and outcome means of previous research described as " follower norms." Previous research norms includes the results from several different studies of mostly business and military leaders.

At the 95 percent level of confidence there is significant difference in the sample means of all traits. The mean scores of the follower sample are significantly higher than previous norms for all the transformational traits and significantly lower for the transactional traits and Laissez-Faire.

At the 95 percent level of confidence there is also significant difference in the follower sample means of two outcome scores: extra effort and effectiveness. The follower group had higher mean scores than previous norms. Satisfaction, however, was the only outcome score to have a mean within the acceptance region of previous research. Therefore we can assume there is no difference in the satisfaction level of this group and the "norms" at the 95 percent level of confidence.

If indeed leaders possess more transformational traits than typically found in business and the military, then it would be expected that there would be higher levels of effectiveness, satisfaction, and extra effort. With the exception of satisfaction, this expectation was met. The question arises, however, whether these leaders are really more transformational or are there other conditions or environmental variables that taint the scores? Much previous research has indicated that there is a severe lack of leadership, yet this research points to opposite conclusions.

Is it possible that because the organizations used in this research are serving a needy group and are doing good, charitable works that the people who work there feel that they are making a difference and therefore are more effective, satisfied and willing to put forth extra effort?

Or is it possible that leaders of homeless shelters and service providers are, in fact, more transformational than leaders of business and industry and the military? Since they cannot afford extensive leadership training, does this indicate that they are natural born leaders who gravitate to nonprofit organizations? This seems very unlikely.

b. Comparisons of leader scores to previous norms

A comparison of the leaders sampled to previous leader norms indicates there are no statistically significant differences for the traits of intellectual stimulation and contingent reward, as well as the outcomes of effectiveness, extra effort and satisfaction. Also this research compared to previous research indicates there are statistically significant differences for the traits charisma, inspiration, individualized consideration, management by exception and Laissez-Faire.

A Z-test was used to compare the trait and outcome means of the leader sample to the trait and outcome means of previous research described as " leader norms." At the 95 percent level of confidence there are significantly higher sample means for the traits: charisma, inspiration, and individualized consideration. The mean scores of the leader sample are significantly lower than the norms for management by exception and Laissez-Faire.

At the 95 percent level of significance there is no significant difference in the sample means of the three outcome scores: satisfaction, extra effort and effectiveness or intellectual stimulation (transformational) and contingent reward (transactional). Therefore we can assume there is no difference in the intellectual stimulation, contingent reward, satisfaction, extra effort, and effectiveness level of this group as compared to "norms" at the 95 percent level of confidence.

This research group perceives itself as being much more transformational than previous groups, and much less transactional than previous groups. But interestingly enough, this group sees itself as effective as previous groups and able to achieve satisfaction and extra effort the same as previous groups. One assumption is that because they see themselves as being more transformational, they associate that with the means for achieving high outcomes.

4. Comparison of leaders (self) to followers (raters) scores

Bass and other research suggests that leaders typically rate themselves higher in transformation, lower in transaction and Laissez-Faire than the followers/workers. This research has similar trends as shown in Table XVIII. Z-Tests were used to compare the trait and outcome means of the leader sample to the worker sample. Leaders rate themselves significantly higher than followers in three of the five transformational traits and significantly lower in two of the three transactional traits and lower in Laissez-Faire. Leaders rate themselves the same as followers in two of three outcome scores.

There are no statistically significant differences for the traits of charisma and individualized consideration, and contingent reward as well as the outcomes of effectiveness and satisfaction. There are statistically significant differences, however, for idealized influence, inspiration, intellectual stimulation, management by exception (active and passive), Laissez-Faire and extra effort.

This would indicate that overall the directors have a higher perception of their leadership traits than followers do and lower perceptions of management by exception and Laissez-Faire traits than followers do. Although directors have similar perceptions of effectiveness and satisfaction as do followers, there is a significant difference in how much extra effort workers are willing to put forth than directors anticipate.

Table XVIII

Mean Differences between Directors and Followers
by Trait and Outcome

Statistically Different	Traits	Director Mean	Follower Mean
	Transformational traits		
	Charisma	3.11	2.98
*	Idealized Influence	3.36	3.18
*	Inspiration	3.35	3.06
*	Intellectual Stimulation	3.04	2.74
	Individualized Consideration	3.27	3.18
	Transactional traits		
	Contingent Reward	2.32	2.21
*	Active Management by Exception	1.27	1.53
*	Passive Management by Exception	.82	1.32
*	Laissez-Faire trait	.46	.81
	Outcome scores		
	Effectiveness	2.96	3.00
	Satisfaction	3.18	3.26
*	Extra Effort	3.03	2.98

n= 146 followers and 40 leaders of homeless shelters and/or programs.
Scales varied from 0 = "Not at all" to 4 = "Frequently, if not always."
*There is significant difference in the sample means between the leaders and followers/workers. The standardized difference between the samples is not acceptable at 95% confidence interval.

The results seem to indicate that the leaders have a higher perception of 3 (out of 5) transformational traits than followers do. Leaders also have a lower perception of 2 (out of 3) transactional traits than followers do. Although leaders have similar

perceptions of effectiveness and satisfaction as do followers, leaders feel they are able to get much more extra effort from workers than workers say they are willing to put forth.

The next section summarizes the results of correlation analysis between traits and outcomes to further understand the relationship planning, leadership (transformational traits), and management (transactional traits) have with the outcomes of effectiveness, satisfaction, and extra effort as well as how the transformational and transactional traits compare to previous research.

5. Correlation analysis

As mentioned in the Literature Review, correlations among the transformational (leadership) factors scores and the outcomes of effectiveness, satisfaction, and extra effort have been confirmed in many empirical studies (Avolio and Bass, 1988). Transformation traits were on average more highly positively correlated with the three outcome measures than were transactional (management) traits. However contingent reward, a transactional (management) trait was also positively correlated with the three outcomes, but to a lesser degree (Bass, 1990). Management by exception and Laissez-Faire were either not correlated with outcomes or had negative correlations (Bass, 1990).

Correlation analysis was done for each of the nine traits and the outcomes of effectiveness, satisfaction, and extra effort. This research showed consistent findings to previous research. There was positive correlation between all the transformational traits and all the outcomes. There was also positive correlation, albeit less, between the transactional trait, contingent reward, and all the outcomes. The remaining transactional traits and the Laissez Faire trait had negative correlations to the outcomes. These

findings are similar to previous research with the exception that contingent reward usually has a stronger correlation than this research indicates.

This research seeks to determine if the outcomes are also a result of planning and/or a result of the interaction of planning to transformational and transactional traits.

a. Correlations of previous and current research

Table XIX shows the correlation analysis of ratings by trait and outcome for previous and current research. Correlations of transformational traits in this current research are, for the most part, slightly lower than those found in previous research results. The lower correlations in this research are not as surprising perhaps because of the different relationships a director may have with paid staff and volunteers. Also, much of the previous research used groups from rigidly hierarchical (and male dominated) fields: the military, business and industry. This research happens to have directors who are predominantly female and organizations that are neither rigid or hierarchical. Hearn and Parkin (1988) have found some gender differences in management and leadership practices in a worldwide study, but not as related to this research.

Previous research results indicates similar correlations between the transformational traits and the outcomes of satisfaction and extra effort, as well as the transactional traits, laissez Faire traits and the outcomes of satisfaction and extra effort.

Table XIX

Correlations of MLQ Scores Related to the Effectiveness of Organizations Led by Described Leaders

		Transformational					Transactional			Laissez
	N	CH	II	IL	IS	IC	CR	AMBE	PMBE	LF
U.S. Army Officers	104	.85	NA	.47	.70	.41	.23	NA	NA	NA
New Zealand Professionals & Managers	45	.56	NA	NA	.52	.62	.43	-.03	NA	NA
World-Class Leaders	67	.58	NA	NA	.34	.40	.21	-.17	NA	NA
New Zealand Educational Administrators	23	.76	NA	NA	.66	.63	.39	-.48	NA	NA
Division Heads Fortune 500 High-tech Firm	49	.72	NA	NA	.44	.47	.15	.06	NA	-.49
Indian Professionals & Managers	58	.59	NA	.56	.54	.46	.35	.15	NA	-.39
Project Leaders Fortune 500 High-tech Firm	75	.66	NA	.44	.55	.55	.48	.16	NA	-.34
Religious Ministers	28	.61	NA	NA	.52	.54	.17	.06	NA	-.29
Middle Managers Fortune 500 High-tech Firm	38	.75	NA	NA	.60	.66	.41	.07	NA	-.41
Middle Level Managers at Federal Express	26	.26	NA	.79	.79	.79	.43	NA	NA	NA
U. S. Army Officers	341	.72	NA	NA	.61	.56	.25	NA	NA	NA
U.S. Junior Naval Officers	186	.87	NA	.73	.74	.73	.66	.50	.11	-.60
Current Research	**40**	**.52**	**.35**	**.44**	**.31**	**.50**	**.20**	**-.05**	**-.42**	**-.43**
	N	CH	II	IL	IS	IC	CR	AMBE	PMBE	LF

Legend:

CH = Charisma
II = Idealized Influence
IL = Inspirational
IS = Intellectual Stimulation
IC = Individualized Consideration
CR = Contingent Reward
AMBE = Active Management by Exception
LF = Laissez Faire
PMBE = Passive Management by Exception

NA Note: In original MLQ research, Idealized Influence (II) and Inspiration (IL) were both part of Charisma and not treated as separate factors. Also in original MLQ research, Management by Exception (MBE) combined Active and Passive.

b. Overall summary of traits and outcomes of directors

The three outcomes of behavior measured include effectiveness, satisfaction, and extra effort. As previously discussed, effectiveness reflects how well a leader performs. Satisfaction reflects how satisfied a leader or followers are with the leader's style and methods. Extra effort reflects the extent to which followers exert effort beyond the ordinary. Prior research indicates these three outcomes to be a result of a director's leadership (transformational traits) and management (transactional traits).

Tables XX, XXI, and XXII summarize the major findings of the correlation analysis between traits and outcomes for directors. Charisma is the leadership trait most highly correlated to effectiveness and idealized influence is the leadership trait most highly correlated to satisfaction. Both are transformational traits.

Inspiration, also a transformational trait, is the single trait that has the highest correlation to extra effort for directors (and followers). In other words, both directors and followers feel they are willing to put forth greater effort for directors who "inspire" others either through words or actions. In homeless shelters and programs this could mean that religious leaders would get more effort from staff and volunteers because clergy are "inspirational."

Laissez-Faire has the greatest negative correlation to effectiveness and passive management by exception has the greatest negative correlation to extra effort. Negative correlations for satisfaction and Laissez-Faire were not statistically significant.

c. Overall summary of traits and outcomes of followers

Tables XX, XXI, and XXII also summarize the major findings of the correlation analysis between transformational, transactional, and Laissez-Faire traits and outcomes for followers.

Idealized influence and individualized consideration are the two leadership traits most highly correlated to effectiveness. Charisma is the leadership trait most highly correlated to satisfaction. Inspiration is the leadership trait most highly correlated to extra effort for followers (and directors). These are all transformational traits.

Laissez-Faire has the greatest negative correlation to effectiveness and to extra effort. Passive management by exception was the only statistically significant variable having a negative correlation to satisfaction.

We will now look at each of the three outcomes individually.

d. Correlation of traits to the outcome of effectiveness

Correlation between the nine traits and effectiveness for both directors and followers is shown in Table XX. Directors responses indicate charisma is most highly correlated with effectiveness (.52). In follower results, idealized influence (.52) and individualized consideration (.52) have the highest correlation to effectiveness.

Effectiveness reflects a director's effectiveness as seen by followers and self in four areas: meeting the job-related needs of followers, representing followers needs to

higher-level managers, contributing to organizational effectiveness, and performance by the followers.

These correlations are similar to previous research in that transformational traits have been positively related and Laissez-Faire negatively related to effectiveness. In previous research and current research, contingent reward is also positively related to effectiveness, although less so in this research. One reason for this might be that the followers, particularly volunteers, are less likely to receive rewards for good performance or for achieving goals than paid workers or military personnel (previous research).

Both active and passive management by exception had either the lowest positive correlation or a negative correlation to effectiveness in previous research. Typically passive is more negatively correlated than active.

This current research differs from previous research in the amount of correlation by trait. In past research, charisma has had the highest correlation to effectiveness, both by leader and follower. Charisma does not appear to be as important to how effective these leaders are rated by workers. More important to this researched group is idealized influence (moral and ethical integrity) and individualized consideration (ability to treat others as individuals, but equals). The group in this research finds that directors who can listen and treat them on a one-to-one basis are more effective.

Perhaps this is a result of the nature of the organization. These are not profit based organizations in which sales, money and profits are the measures of success. Non-profits are altruistic in nature and perhaps followers are more motivated by integrity and feeling that they, as individuals, are making a difference.

In this current research the negative correlation Laissez-Faire has to effectiveness is within the mid-range of past research. In other words, directors who demonstrate no leadership skills have a negative relationship with the effectiveness of the organization.

This research also is more extreme in the negative relationship between management by exception and effectiveness: current research shows a greater negative relationship than previous research. Directors using criticism, negative feedback or punishment (transactional/management by exception tools) do not fare well in effectiveness.

Table XX

Correlation of Traits to Effectiveness

Variables	Director	(SS)	Follower	(SS)
Transformational traits	.51	*	.54	*
Charisma	.52	*	.44	*
Idealized Influence	.35	*	.52	*
Inspirational	.44	*	.51	*
Intellectual Stimulation	.31	*	.42	*
Individualized Consideration	.50	*	.52	*
Transactional traits	.06		-.05	*
Contingent Reward	.20	*	.26	*
Active Management by Exception	-.05	*	-.15	
Passive Management by Exception	-.42	*	-.38	*
Laissez-Faire trait	-.43	*	-.44	*

Note: SS = statistically significant at the .05 level.

First Ho: There is no significant difference between sample leader means and previous leader means

H1: There is significant difference between the sample leader means and previous leader means

Decision Rule: Reject the null hypotheses, Ho, if the standardized difference between sample director means and previous means falls into a rejection region at the .05 level.

Second Ho: There is no significant difference between sample follower means and previous follower means.

H1: There is significant difference between the sample follower means and previous follower means.

Decision Rule: Reject the null hypotheses, Ho, if the standardized difference between sample follower means and previous means falls into a rejection region at the .05 level.

A possible explanation for charisma not being as influential a trait for followers may lie in the type of organization used in this research. Perhaps having a charismatic leader is not as effective to staff and volunteers of homeless programs as having a leader who has high aspirations of what can be done and motivates others to share that dream (idealized influence). The staff and volunteers may also prefer a leader who gives personal attention to all individuals, making each individual feel valued, and who recognizes each individual's contribution as important (individualized consideration). Finally, staff and volunteers may see the effective leader as communicating a vision with fluency and confidence, increasing optimism and enthusiasm, and giving pep talks to energize others (inspirational).

e. Correlation of traits to the outcome satisfaction

Satisfaction reflects how satisfied the director or followers are with the director's style and methods of leadership, as well as how satisfied they are in general with the director. Table XXI shows that the transformational traits are all positively related to satisfaction, as is contingent reward.

Charisma has the highest correlation with the satisfaction that a worker feels, indicating that leaders who are trusted and are respected have more to do with how satisfied the follower feels. Idealized Influence has the highest correlation with how effective a director feels he/she is. Directors may feel that their moral integrity, idealized influence, has more to do with the satisfaction level they and their followers feel than any of the other traits.

Followers had significantly different correlations between satisfaction and all the transformational traits, whereas directors correlation to intellectual stimulation was the only transformational trait significantly different. In other words, directors do not indicate high correlations between transformational traits and satisfaction of workers. However followers indicate stronger relationships.

Table XXI

Correlation of Traits to Satisfaction

Variables	Director	(SS)	Follower	(SS)
Transformational traits	.26		.43	*
Charisma	.24		.47	*
Idealized Influence	.33	*	.35	*
Inspirational	.20		.42	*
Intellectual Stimulation	.14		.35	*
Individualized Consideration	.23		.35	*
Transactional traits	-.08	*	-.01	
Contingent Reward	.04		.18	*
Active Management by Exception	-.15		-.01	
Passive Management by Exception	-.15		-.32	*
Laissez-Faire trait	-.21		-.34	

Note: SS = statistically significant at the .05 level.

First Ho: There is no significant difference between sample leader means and previous leader means

H1: There is significant difference between the sample leader means and previous leader means

Decision Rule: Reject the null hypotheses, Ho, if the standardized difference between sample director means and previous means falls into a rejection region at the .05 level.

Second Ho: There is no significant difference between sample follower means and previous follower means.

H1: There is significant difference between the sample follower means and previous follower means.

Decision Rule: Reject the null hypotheses, Ho, if the standardized difference between sample follower means and previous means falls into a rejection region at the .05 level.

f. Correlation of traits to the outcome extra effort

The outcome extra effort reflects the extent to which followers exert effort beyond the ordinary as a consequence of the leadership. As shown in Table XXII, the transformational traits are all positively correlated for directors and followers, and all are statistically different than previous means. Followers found contingent reward, the overall category of transactional traits and Laissez-Faire to be significantly different than previous research. Directors only differed in one transactional trait, passive management by exception and Laissez-Faire.

Director results were similar to previous research for most of the transactional traits. In other words they tend to relate the lack of extra effort to management by exception.

Table XXII

Correlation of Director Traits to Extra Effort

Variables	Leader	(SS)	Follower	(SS)
Transformational traits	.69	*	.78	*
Charisma	.45	*	.66	*
Idealized Influence	.61	*	.70	*
Inspirational	.65	*	.79	*
Intellectual Stimulation	.54	*	.63	*
Individualized Consideration	.62	*	.70	*
Transactional traits	-.05		.17	*
Contingent Reward	.30		.51	*
Active Management by Exception	-.20		-.10	
Passive Management by Exception	-.42	*	-.22	*
Laissez-Faire trait	-.34	*	-.26	*

Note: SS = statistically significant at the .05 level.

First Ho: There is no significant difference between sample leader means and previous leader means

H1: There is significant difference between the sample leader means and previous leader means

Decision Rule: Reject the null hypotheses, Ho, if the standardized difference between sample director means and previous means falls into a rejection region at the .05 level.

Second Ho: There is no significant difference between sample follower means and previous follower means.

H1: There is significant difference between the sample follower means and previous follower means.

Decision Rule: Reject the null hypotheses, Ho, if the standardized difference between sample follower means and previous means falls into a rejection region at the .05 level.

It appears in Table XXII that for both directors and followers there is much stronger correlation of transformational traits to extra effort than to either of the other two outcome scores. Inspiration or the ability to create a vision in an organization, contributes most to workers willing to put forth extra effort beyond what is normally expected.

6. Summary

Followers gave higher ratings for all the transformational (leadership) traits, lower ratings for the transactional (management) and Laissez-Faire traits. In addition, followers rated directors as being more effective than previous research groups, and as satisfying to work for as previous groups. Followers also indicated they would put forth more effort for these directors than previous groups.

Directors of this research rated themselves as being much more transformational and much less transactional than previous groups. Typically leaders rate themselves higher in transformational traits, and lower in transactional traits than followers do. This research had consistent findings.

Directors and followers differ on which traits are most highly correlated to the outcomes. For followers idealized influence and individualized consideration, transformational traits, had the highest correlations to effectiveness. Directors indicated charisma has the highest correlation. Followers indicated charisma as being correlated with satisfaction, directors indicated idealized influence. Lastly followers and directors

indicated inspirational traits as having the highest correlation to extra effort. Typically charisma has the highest correlations to all three outcomes for followers.

The next section examines the third major component of this research, planning, leadership, and management's relations to outcomes.

D. Planning, leadership, and management's relationship to outcomes

1. Overview

The most important outcomes for this research are the outcomes of effectiveness, satisfaction, and extra effort. Directors at each site sampled were asked questions regarding how effective they perceived themselves to be. In addition, all followers, staff and volunteers, were asked to evaluate how effective they perceived the director to be. Although past research has showed that worker evaluations of effectiveness represent more opinions and tend to be more accurate than leader's self evaluations (Bass and Yammarino, 1991), director evaluations were also used in the following analysis. Since only directors were asked planning questions, directors evaluations were also considered important and therefore analyzed and compared to followers. In addition, follower means were determined for each site and these means were then statistically analyzed with the director's mean the planning questions.

There has been no attempt to date, to incorporate how planning might impact the relationship transformational, transactional and Laissez-Faire traits might have on effectiveness, satisfaction, and extra effort. Multiple regression analysis was used for this analysis. Three dependent variables were identified - effectiveness, satisfaction, and

extra effort. Regression analysis was performed using seven independent variables to measure the variations that occur in each of the dependent variables. The independent variables are planning, transformational traits, transactional traits, Laissez-Faire traits, the interaction of planning and transformational traits, the interaction of planning and transactional traits, and the interaction of planning and Laissez-Faire traits. These seven variables are also listed in Tables XXIII - XXVIII.

This seems to be an appropriate time to discuss the theoretical relationship between planning, transformational (leadership) traits, and transactional (management) traits. Management has been defined previously as including the four functions of planning, organizing, directing and controlling. Although we went through a detailed explanation as to how strategic, long-term planning, as measured in this research, differs from short-term planning defined in management, one might still assume that the planning questions and transactional traits might really be measuring the same thing. This multicollinear problem is not present in this data as evidenced by the negative (-.08) correlation between planning questions and transactional questions.

Although not part of the descriptors used to depict the transformational (leadership) traits (charisma, intellectual stimulation, individualized consideration, inspiration, or idealized influence) one might argue that perhaps planning is part of this dimension. Again, this multicollinear problem is not present in this data as evidenced by the low (.04) correlation between planning questions and transformational questions.

For each of the three separate regression analyses performed, the null hypothesis (Ho) is that no relationship exists between the dependent variable and the independent variables. The alternative hypothesis is that there is a relationship). The following data can be used to interpret Tables XXIII - XXVIII. This data includes the null and alternative hypothesis, the decision rule, and the multiple regression formula used.

Ho: $b1 = 0$
H1: $b1 \neq 0$ at the .05 level of significance

Decision rule: Accept Ho (no relationship exists between the dependent variable and the 7 independent variables) if the critical ratio falls into the acceptance region.

Note: Using the multiple regression analysis option from SPSS Statistical Software gives a Sig T score indicating if the level of significance. If the Sig T score is less than .05, then we reject the Null Hypothesis that $b1 = 0$, and accept the alternative hypothesis. The alternative hypothesis is that there is a meaningful relationship between the dependent variable and the independent variable.

$Yc = (a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + b6X6 + b7X7)$

Yc = estimated value of the dependent variable
a = value of Yc when X variables are at the origin, or 0
X1 = value of the first independent variable - planning mean
X2 = value of the second independent variable - transformational traits mean
X3 = value of the third independent variable - transactional traits mean
X4 = value of the fourth independent variable - Laissez-Faire traits mean
X5 = value of the fifth independent variable - interaction of planning and transformational traits
X6 = value of the sixth independent variable - interaction of planning and transactional traits
X7 = value of the seventh independent variable - interaction of planning and Laissez-Faire traits
b1 = slope associated with X1 (the change in Yc if X1 varies by one unit and other X's are held constant)
b2 = slope associated with X2 (the change in Yc if X2 varies by one unit and other X's are held constant)
b3 = slope associated with X3 (the change in Yc if X3 varies by one unit and other X's are held constant)
b4 = slope associated with X4 (the change in Yc if X4 varies by one unit and other X's are held constant)
b5 = slope associated with X5 (the change in Yc if X5 varies by one unit and other X's are held constant)
b6 = slope associated with X6 (the change in Yc if X6 varies by one unit and other X's are held constant)
b7 = slope associated with X7 (the change in Yc if X7 varies by one unit and other X's are held constant)

2. Multiple regression analysis using effectiveness as the dependent variable

As indicated earlier, studies involving planning and performance in nonprofit organizations reveal positive relationships (Siciliano, 1997; Webster and Wylie, 1988). Research also has shown a positive relationship between leadership traits and outcome measures (Bass, 1990; Yammarino and Bass, 1990; House, 1985; House and Baetz, 1979; Lord, DeVader, and Alliger, 1986). Transformational leaders are seen as both more effective and satisfying to work for than ordinary leaders (Bass and Avolio, 1990). Transactional leadership has found to have similar results, but to a lesser degree and has been shown to be augmented by transformational leadership.

The results of this research are markedly different in that directors indicate no relationship between effectiveness and any of the independent variables nor the interaction of these variables at the .05 level of significance. Findings are summarized in Table XXIII.

Followers, however, indicate a positive relationship between effectiveness and planning, transformational traits and an even stronger relationship between effectiveness and the interaction of planning and transformational traits. There is also a negative relationship between effectiveness and Laissez-Faire traits, also a negative relationship between effectiveness and the interaction of planning and transactional traits, as well as the interaction between planning and Laissez-Faire traits. Further analysis is summarized in Table XXIV.

a. **Regression analysis of planning and effectiveness**

Is there a relationship between planning and effectiveness?
If there is, how strong is the relationship?

Multiple regression analysis using scores provided by directors of the organizations shows no statistically significant relationship between effectiveness and planning at the .05 level of significance. In other words leaders do not perceive themselves as being more effective by spending more time on planning. Findings from multiple regression analysis using the t test are indicated in column 4 of Table XXIII.

For followers, however, multiple regression analysis indicates there is a statistically positive relationship between effectiveness and planning, effectiveness and transformational traits, and effectiveness and the interaction of planning and transformational traits. Table XXIV provides the results of the multiple regression. Column 2 indicates most of the variation, 62 percent, in effectiveness scores is explained by the interaction of planning and transformational traits. In other words, followers indicate that directors who perform planning activities and demonstrate transformational traits are more effective than leaders who do not.

Table XXIV also indicates a negative relationship between effectiveness and Laissez-Faire traits, effectiveness and the interaction of planning and transactional traits, and lastly, effectiveness and the interaction of planning and Laissez-Faire traits. Not surprisingly, Laissez-Faire traits have negative relationships regardless of the amount of planning that takes place. It is somewhat surprising that the combination of planning and transactional traits would be negative. It might indicate that followers who perceive planning by itself in a positive context and transactional by itself as neither positive nor negative, perceive the combination of the two to not be effective. Perhaps they see too much rigidity, or not enough personal interaction.

b. Regression analysis of transformational traits and effectiveness

What is the relationship between transformational traits and effectiveness?

If there is a relationship, how strong is it?

For directors, there is no statistically significant relationship between the transformational traits and effectiveness at the .05 level of significance. Findings from multiple regression analysis using the t test are indicated in column 4 of Table XXIII.

For followers, however, multiple regression analysis indicates transformational traits are an important independent variable contributing to a director's effectiveness. Column 1 from Table XXIV indicates the relationship is positive and column 4 indicates it is statistically significant at the .05 level of significance. Column 2 indicates that 55 percent of the variation in effectiveness is explained by transformational traits. In other words, followers indicate that directors who demonstrate transformational traits are more effective than directors who do not demonstrate transformational traits. This is consistent with previous research findings.

c. Regression analysis of transactional traits and effectiveness

What is the relationship between transactional traits and effectiveness?

If there is a relationship, how strong is it?

Applying multiple regression analysis between the dependent variable, effectiveness, and the independent variables described in Tables XXIII and XXIV, indicates that for directors and followers there is no relationship between transactional traits and effectiveness at the .05 level of significance. Prior research indicates that transactional traits can impact effectiveness, although not to the same degree as transformational variables.

d. Regression analysis of Laissez-Faire traits and effectiveness
What is the relationship between Laissez-Faire traits and effectiveness?
If there is a relationship, how strong is it?

For directors there is no relationship between a lack of management or leadership traits and effectiveness at the .05 level of significance. Findings of multiple regression analysis are presented in Table XXIII.

For followers there is a statistically significant negative relationship between effectiveness and Laissez-Faire traits. Column 1 of Table XXIV indicates a negative relationship. Followers rate directors who demonstrate a Laissez-Faire style to not be effective. This is similar to prior research findings.

e. Regression between effectiveness and the interaction of planning and other traits
What is the relationship between effectiveness and the interaction of
planning and transformational traits?
planning and transactional traits?
planning and Laissez-Faire traits?
If there are any relationships, how strong are they?

Further analysis was completed to see what happens to effectiveness when planning is combined with the other traits. As can be seen in column 4 of Table XXIII, for directors, there is no statistically significant relationship at the .05 level of significance between effectiveness and the interaction of planning and transformational traits, planning and transactional traits, or planning and Laissez-Faire traits.

For followers, there is a positive relationship between the interaction of planning and transformational traits. This relationship is the strongest of all individual traits and

interaction traits. This would indicate that followers rate directors who plan and demonstrate leadership/transformational traits to be the most effective directors. There is a negative relationship between the interaction of planning and transactional traits and effectiveness, as well as between the interaction of planning and Laissez-Faire traits that is significant.

Column 1 of Table XXIV indicates that the interaction between planning and transformational traits has more impact on effectiveness than any of the other traits or interaction of traits. This would indicate the although planning and transformational traits individually have a positive impact on effectiveness, directors who utilize both traits are seen as being more effective by their followers.

Table XXIII

Director's Self-Analysis
Correlations and Regressions Between Effectiveness and Planning, Transformational, Transactional and Laissez-Faire Traits.

Traits	(1) B	(2) Beta	(3) T	(4) Sig *
planning	-.13	-.20	-.12	
transformational	-.11	-.10	-.20	
transactional	-.04	-.04	-.04	
Laissez-Faire	-.98	-.80	-.91	
interaction between:				
planning and transformational	.09	.55	.42	
planning and transactional	.01	.03	.98	
planning and Laissez-Faire	.25	.52	.64	

Table XXIV

Follower Analysis
Correlations and Regressions Between Effectiveness and Planning, Transformational, Transactional and Laissez-Faire Traits.

Traits	(1) B	(2) Beta	(3) t	(4) Sig. *
planning	.34	.26	2.76	*
transformational	.77	.55	7.45	*
transactional	-.20	- .15	-1.85	
Laissez-Faire	-.31	- .24	-3.11	*
interaction between:				
planning and transformationai	1.18	.62	5.84	*
planning and transactional	-.81	-.40	-3.76	*
planning and Laissez-Faire	-.74	-.39	-3.96	*

Sig * - statistically significant at the .05 level of significance
B - slope of regression line indicating positive or negative relationship.
Beta - the amount of variation in the dependent variables that is explained by the independent variable.
t - test of the significance of B

3. Multiple regression analysis using satisfaction as the dependent variable

Although previous research has indicated similar relationships for the outcomes of effectiveness, satisfaction, and extra effort to transformational, transactional and Laissez-Faire traits (Bass, 1990), the results of this research are mixed.

For directors there is no relationship between the satisfaction of workers and any of the independent variables planning, transformational, transactional, as well as the interaction of these independent variables. Results of multiple regression analysis are provided in the following Table XXV. Column 4 indicates there is no relationship.

For followers, however, there is a positive relationship between satisfaction and the transformational traits that is statistically significant as well as between satisfaction and the interaction of planning and transformational traits. There is a negative relationship between satisfaction and Laissez-Faire traits, satisfaction and the interaction of planning and transactional traits, as well as planning and Laissez-Faire traits.

In other words, followers indicate a positive relationship exists between their satisfaction with a director and the amount of transformational traits that director exhibits. Follower satisfaction with a director is negatively related to the absence of transformational and transactional traits even if that director exhibits strong planning skills. Detailed statistics are shown in Table XXVI.

a. **Regression analysis of planning and satisfaction**
Is there a relationship between planning and satisfaction?
If there is, how strong is the relationship?

For directors there is no relationship between satisfaction and planning. Statistical results are indicated in Table XXV. Column 4 indicates no statistically significant relationship.

There is also no relationship between planning and satisfaction for followers. Results are shown in Table XXVI.

b. **Regression analysis of transformational traits and satisfaction**
What is the relationship between transformational traits and satisfaction?
If there is a relationship, how strong is it?

For directors there is no relationship between transformational traits and satisfaction. Results of multiple regression analysis are shown in Table XXV. This differs from previous research findings

For followers there is a statistically significant relationship between transformational traits and how satisfied followers are with the director. Column 4 of Table XXVI indicate a relationship exists. Column 1 indicates a positive relationship and column 2 indicates 42 percent of the change in satisfaction is explained by transformational traits. Previous findings indicate a positive relationship between satisfaction and transformational traits.

c. Regression analysis of transactional traits and satisfaction

What is the relationship between transactional traits and satisfaction?

If there is a relationship, how strong is it?

For directors, there is no relationship between the transactional traits and satisfaction. This is indicated in column 4 of Table XXV. This is not consistent with previous research findings.

Followers also indicate no relationship as shown in column 4 of Table XXVI. This also is not consistent with previous research findings.

d. Regression analysis of Laissez-Faire traits and satisfaction

What is the relationship between Laissez-Faire traits and satisfaction?

If there is a relationship, how strong is it?

For directors there is no relationship between Laissez-Faire traits and satisfaction. This is indicated in column 4 of Table XXV. This is similar to previous research.

Followers indicate there is a negative relationship between Laissez-Faire traits and satisfaction with the director as shown in Column 4 of Table XXVI. Once again, column 1 indicates the relationship is negative and column 4 indicates it is statistically significant. In other words, followers are not satisfied with directors who demonstrate a Laissez-Faire style. This is consistent with previous findings.

e. Regression between effectiveness and the interaction of planning and other traits

What is the relationship between satisfaction and the interaction of
planning and transformational traits?
planning and transactional traits?
planning and Laissez-Faire traits?
If there are any relationships, how strong are they?

Directors indicate there is no relationship between satisfaction and the interaction of planning with transformational, transactional or Laissez-Faire traits. Specific results are shown in Table XXV.

Followers indicate a positive relationship involving the interaction of planning and transformational traits, similar to the relationship with effectiveness. Statistics also indicate a negative relationship involving the interaction of planning and transactional traits as well as the interaction of planning and Laissez-Faire traits. Column 4 in Table XXVI indicates these interactions are statistically significant. Another way of interpreting these statistics is that followers are much more satisfied with leaders who plan and provide leadership than those who just plan or use transformational traits or those who plan and use transactional or Laissez-Faire traits.

What does this mean? Followers are not satisfied with directors who plan and use transactional traits or directors who plan and demonstrate a Laissez-Faire style. Planning does not compensate a Laissez-Faire or managerial style. However planning and transformational traits provide the most influence on satisfaction, moreso than transformational alone.

Table XXV

Directors Self-Analysis
Correlations and Regressions Between Satisfaction and Planning, Transformational, Transactional and Laissez-Faire Traits.

Traits	(1) B	(2) Beta	(3) t	(4) Sig. *
planning	-2.08	-1.46	.72	
transformational	- .10	- .04	-.06	
transactional	-4.70	-2.06	-1.47	
Laissez-Faire	2.07	.78	.71	
interaction between:				
planning and transformational	.18	.50	.30	
planning and transactional	1.53	2.62	1.41	
planning and Laissez-Faire	- .76	- .78	- .72	

Table XXVI

Follower Analysis
Correlations and Regressions Between Satisfaction and Planning, Transformational, Transactional and Laissez-Faire Traits.

Traits	(1) B	(2) Beta	(3) t	(4) Sig. *
planning	.32	.17	1.67	
transformational	.82	.42	5.05	*
transactional	-.15	-.08	- .88	
Laissez-Faire	-.35	-.20	-2.33	*
interaction between:				
planning and transformational	1.16	.44	3.74	*
planning and transactional	-.83	-.30	-2.52	*
planning and Laissez-Faire	-.88	-.33	-3.00	*

Sig * - statistically significant at the .05 level of significance
B - slope of regression line indicating positive or negative relationship.
Beta - the amount of variation in the dependent variables that is explained by the independent variable.
t - test of the significance of B

4. Multiple regression analysis using extra effort as the dependent variable

Extra effort indicates the amount of additional effort followers are willing to put forth. Extra effort has been found to be the result of transformational and transactional traits (Bass, 1990). Previous research has indicated similar relationships for the outcome of extra effort as that of effectiveness and satisfaction to transformational, transactional and Laissez-Faire traits (Bass, 1990). Results of this research on extra effort are dissimilar to previous research.

For directors there is no relationship between extra effort and planning, transformational traits, transactional traits or Laissez-Faire traits. There is also no relationship between extra effort and the interaction of planning with transformational traits, transactional traits or Laissez-Faire traits.

For followers there is a statistically significant relationship between the amount of extra effort a follower is willing to put forth and transformational traits. There is also a statistically significant relationship for followers between extra effort and the interaction of planning transformational traits, and a negative relationship between extra effort and the interaction and planning and transactional traits. Followers also indicate no relationship between extra effort and Laissez-Faire traits. Previous research indicated negative relationships.

a. Regression analysis of planning and extra effort
Is there a relationship between planning and extra effort?
If there is, how strong is the relationship?

For directors there is no relationship between extra effort and planning, as indicated in column 4 of Table XXVII.

Followers, responses were similar resulting in no statistical significance as shown in column 4 of Table XXVIII.

b. Regression analysis of transformational traits and extra effort
Is there a relationship between transformational traits and extra effort?
If there is, how strong is the relationship?

For directors, there is no relationship between extra effort and the transformational traits. Column 4 of Table XXVII indicates the lack of a relationship.

For followers there is a positive relationship between the transformational traits and extra effort. Column 4 of Table XXVIII indicates the relationship is statistically significant and column 1 indicates the relationship is positive. What this indicates is that followers are willing to put forth more effort for directors who demonstrate transformational traits. These findings are consistent with previous research.

c. **Regression analysis of transactional traits and extra effort**
Is there a relationship between transactional traits and extra effort?
If there is, how strong is the relationship?

For directors there is no statistically significant relationship between extra effort and the transactional traits as shown in column 4 of Table XXVII.

For followers there is no relationship between extra effort and transactional traits as shown in Column 4 of Table XXVIII. This differs from previous research findings.

d. **Regression analysis of Laissez-Faire traits and extra effort**
What is the relationship between Laissez-Faire traits and extra effort?
If there is a relationship, how strong is it?

For directors there is no relationship between Laissez-Faire traits and extra effort. Column 4 of Table XXVII indicates the lack of a statistically significant relationship.

For followers there is also no relationship between Laissez-Faire traits and extra effort. Column 4 of Table XXVIII indicates this finding. Previous research indicated negative relationships.

e. Regression Analysis between extra effort and the interaction of independent variables

What is the relationship between extra effort and the interaction of
planning and transformational traits?
planning and transactional traits?
planning and Laissez-Faire traits?
If there are any relationships, how strong are they?

Further analysis was completed to determine what happens to extra effort when planning is combined with the other independent traits. As can be seen in column 4 of Table XXVII, directors indicate no relationship between planning and the transformational traits, the transactional traits or the Laissez-Faire traits

Followers, however, indicate a positive relationship between extra effort and the interaction of planning and transformational traits and this is consistent with results for effectiveness and satisfaction. There is a negative relationship between extra effort and the interaction of planning and transactional traits, and there is no statistically significant relationship between the interaction of planning and Laissez-Faire traits as indicated in column 4 of Table XXVIII.

Perhaps a simpler way of interpreting this information is that followers are willing to put forth extra effort for directors who plan and demonstrate transformational traits. Followers put forth more effort for directors who perform both actions than for directors who only perform transformational actions.

In addition, followers will put forth less effort for directors who plan and perform transactional traits.

Table XXVII

Directors Self-Analysis
Correlations and Regressions Between Extra Effort and Planning, Transformational, Transactional and Laissez-Faire Traits.

Traits	(1) B	(2) Beta	(3) t	(4) Sig. *
planning	1.21	1.23	.81	
transformational	1.35	.79	1.70	
transactional	1.66	1.66	1.13	
Laissez-Faire	-1.87	1.50	-.58	
interaction between:				
planning and transformational	- .13	.31	-.43	
planning and transactional	-.64	-1.61	-1.14	
planning and Laissez-Faire	.26	.38	.49	

Table XXVIII

Follower Analysis
Correlations and Regressions Between Extra Effort and Planning, Transformational, Transactional and Laissez-Faire Traits.

Traits	(1) B	(2) Beta	(3) t	(4) Sig. *
planning	.24	.15	1.82	
transformational	1.35	.78	13.14	*
transactional	-.08	-.04	- .66	
Laissez-Faire	-.01	-.01	- .10	
interaction between:				
planning and transformational	2.03	.87	8.57	*
planning and transactional	-1.09	-.42	-4.12	*
planning and Laissez-Faire	-.37	-.15	-1.80	

Sig * - statistically significant at the .05 level of significance
B - slope of regression line indicating positive or negative relationship.
Beta - the amount of variation in the dependent variables that is explained by the independent variable.
t - test of the significance of B

5. Summary

These findings indicate that directors do not perceive a relationship between effectiveness, satisfaction or extra effort and planning, transformational traits, transactional traits or Laissez-Faire traits or the interaction of planning and transformational traits, planning and transactional traits, or planning and Laissez-Faire traits.

Followers, however, do indicate that their rating of how effective a director is, how satisfied they are with the director's performance and how much extra effort they are willing to put forth are indeed dependent on some of the independent variables, particularly the interaction of planning and transformational traits. The following chart summarizes this section and tables XXIV, XXVI, and XXVIII.

Table XXIX

Summary of Regression Analysis Findings

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	+	0	0
transformational	+	+	+
transactional	0	0	0
Laissez-Faire	-	-	0
Interaction of			
planning and transformational	+	+	+
planning and transactional	-	-	-
planning and Laissez Faire	-	-	0

Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

6. Implications of size and age of organization

As previously mentioned, two primary reasons why homeless service organizations must close their doors have to do with size of the organization, and age of the organization, the younger and smaller being at greater risk than larger or older. Several authors (Marx, 1997; Garvin, 1982; Alexander and Alexander, 1982; Jones, 1982; Troy, 1986) have also suggested that without strategic planning, organizations can no longer get the amount of corporate or government support necessary. It seems logical, therefore, to evaluate organizations by size and age to determine if the results of multiple regression change for the outcomes of effectiveness, satisfaction, and extra effort.

If we first control for size, and categorize organizations in the same pattern used previously in the findings section (a subcategory of planning) and summarize the results of multiple regression for the independent variables of planning, transformational, transactional, Laissez-Faire, and the interaction of planning and transformational, planning and transactional, and planning and Laissez-Faire with the dependent variables of effectiveness, satisfaction, and extra effort, we have the following relationships.

Table XXX

Summary of Regression Analysis Findings
by Size of the Organization

A. Small Organizations (under 30 followers)

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	0	0	0
transformational	+	+	+
transactional	0	0	0
Laissez-Faire	0	0	0
Interaction of			
planning and transformational	+	0	+
planning and transactional	0	0	0
planning and Laissez Faire	-	0	0

n=15

Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

B. Medium Organizations (31 - 100 followers)

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	0	0	0
transformational	+	0	+
transactional	0	0	0
Laissez-Faire	-	0	0
Interaction of			
planning and transformational	+	0	+
planning and transactional	0	0	0
planning and Laissez Faire	0	0	0

n=9

Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

C. Large Organizations (more than 100 followers)

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	+	0	0
transformational	+	+	+
transactional	0	0	0
Laissez-Faire	-	0	0
Interaction of			
planning and transformational	+	+	+
planning and transactional	0	0	0
planning and Laissez Faire	-	-	0

n=15

Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

Prior research also indicates that the age of the organizations could be a determining factor as to whether an organization remained open or not. Controlling for age in this study, organizations were grouped into 3 categories: those opened in 1960-1979, we will label "old", those opened in 1980-1989, we will label "middle-age", and those opened in 1990 to the present, we will label "new". As can be seen in the summaries A, B, and C in Table XXXI, the interaction of planning and transformational traits have a positive relationship with effectiveness, satisfaction, and extra effort, regardless of age of the organization.

Table XXXI

Summary of Regression Analysis Findings
by Age of the Organization

A. Old Organizations (1960-1979)

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	0	0	0
transformational	+	+	+
transactional	0	0	0
Laissez-Faire	0	-	0
Interaction of			
planning and transformational	+	+	+
planning and transactional	-	0	0
planning and Laissez Faire	0	0	+

n=15
Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

B. Middle-Age Organizations (1980-1989)

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	0	0	-
transformational	0	0	0
transactional	-	0	0
Laissez-Faire	0	-	0
Interaction of			
planning and transformational	+	+	+
planning and transactional	0	0	0
planning and Laissez Faire	-	0	0

n=15
Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

C. New Organizations (1990-present)

Independent Variables	Dependent Variables		
	Effectiveness	Satisfaction	Extra Effort
planning	0	0	-
transformational	0	0	0
transactional	0	0	0
Laissez-Faire	0	0	0
Interaction of			
planning and transformational	+	+	+
planning and transactional	0	0	0
planning and Laissez Faire	0	0	0

n=15

Note: + indicates a positive relationship
0 indicates no relationship
- indicates a negative relationship

It appears from the above summaries that although there are some differences in the outcomes of effectiveness, satisfaction, and extra effort when controlling for size and age of the organization, the independent variable having the greatest impact on a consistent basis is the interaction of planning and transformational traits. As mentioned several times, previous research has only focused on transformational, transactional and Laissez-Faire traits, not planning. Although these results are exciting, similar studies must be performed to substantiate these findings. However, these findings support the overall premise that long-term, strategic planning activities combined with strong leadership traits can create environments that are effective, more satisfying and will generate extra effort on the part of followers.

The next section, Conclusions, makes recommendations based on the results of this and previous research.

V. Discussion, Conclusions and Recommendations

A. Overview

This section focuses on the conclusions of this research and the policy implications that result from this research.

The results of the modified MFLQ Self and Rater surveys completed by the director and staff and volunteers of homeless service providers as well as the literature cited in the literature review section provide great insight into the relationship of planning, leadership, and management in homeless service organizations.

The conclusions presented in this section respond to the research questions previously identified:

1. How do directors of homeless service organizations compare to leaders of other types of organizations in terms of transformational and transactional traits as well as the outcomes of effectiveness, satisfaction and extra effort? In other words, do the nonprofit directors scores differ significantly from the scores set by corporate managers in earlier studies using the same instrument? Or is there similar variation in that some of the service providers show better leadership or management and some show significant room for improvement, as is the case in previous research? How do the nonprofit directors compare with the forprofit managers? Are they as ineffective as some authors have claimed or are they something corporate managers should strive to be?

2. What is the relationship between each of the individual variables planning, leadership, and management and the outcomes of effectiveness, satisfaction and extra effort?

3. What is the relationship between the interaction of planning, leadership, and management and the outcomes of effectiveness, satisfaction and extra effort? Can strong planning compensate for weak leadership?

First, we will look at the planning implications, particularly involving the outcomes of effectiveness, satisfaction and extra effort. Second, are conclusions regarding distinctions followers and directors make between transformational and transactional traits and how these impact on the outcomes of effectiveness, satisfaction and extra effort.

Third, is a discussion of the interaction effects of planning, transformational traits and transactional traits and their impact on effectiveness, satisfaction and extra effort. Fourth, are conclusions regarding transformational and transactional traits and size of the organization. The fifth section includes policy implications and recommendations for directors and boards. The last section provides suggestions for additional future research.

B. Planning

The results of this research indicate directors and workers perceive planning and the other independent variables differently. Using multiple regression analysis, directors show no relationship between planning and the outcomes of effectiveness, satisfaction or extra effort.

However for followers, the results of this research show a positive relationship between planning and effectiveness, but not satisfaction or extra effort. Having clearly written goals, and objectives and goals and objectives that are shared with staff and volunteers are the two planning activities most highly correlated to effectiveness, yet directors indicate they don't share goals and objectives with volunteers often enough. Only 38 percent of the leaders in this survey share goals and objectives with volunteers "Fairly often" to "Frequently, if not always." Leaders are much more likely to share goals with paid staff, 84 percent "Fairly often" to "Frequently, if not always".

Leaders of organizations need to understand the value of sharing goals and objectives, and involving others in shaping and meeting them. In addition, from personal experience as a volunteer at several homeless service agencies, I can attest that most volunteers are not exposed to the goals and objectives of the organization. This may contribute not only to lower levels of effectiveness, but also the high turnover rates of volunteers and staff that many nonprofit agencies experience.

Another particular planning activity of importance is having employees complete evaluations on the effectiveness of the programs and activities of the organization. Employee evaluations are not done by 15 percent of the organizations, and another 50 percent only complete them "once in awhile" to "fairly often." Literature previously cited (Kanter and Brinkerhoff, 1981; Kanter and Summers, 1987; O'Connell, 1988; Kearns, 1995) calls for more organizations to measure effectiveness through a variety of measures including employee evaluations. There is a significant gap between what research has shown is important and the actual occurrence of the activity. For example, setting goals, objective and action plans, and monitoring results have previously been linked to better organizational performance (Siciliano, 1997), yet at least 5 percent of the organizations surveyed for this research do not perform these activities.

C. Transformational and transactional traits

Transformational leadership is an observable phenomenon with distinct features and seems to be desirable to followers. Most people want to work for or report to someone who is charismatic and motivating (Bass, 1990). Transformational traits have had a strong correlation with effectiveness of the organization in previous research. In this research, followers evaluate effectiveness and extra effort by how transformational the director is. The results of this research indicate that the specific transformational traits of idealized influence and individualized consideration have the highest correlation to the outcome of effectiveness (Table XX). In past research involving nonprofit organizations, effectiveness translated into additional benefits. For example, Onnen (1987) reported that when Methodist ministers were more transformational as opposed to transactional, church attendance and new church memberships were higher. Bryant (1990) reported that nursing supervisors who were rated by their followers as being more transformational ran units with lower turnover rates. For homeless service providers, effectiveness may translate into additional benefits as well, such as lower turnover of staff and volunteers, more funding, more sources of funding, a wider array of services offered, etc.

Of the remaining two outcome scores, satisfaction and extra effort, both are highly correlated to different transformational traits. Satisfaction is most highly correlated to charisma. In other words, followers were more satisfied with the director's performance if the director was ranked high in charisma.

And the transformational trait inspiration is most highly correlated to the outcome of extra effort (Table XXII). In other words, followers were more likely to put forth extra effort for a director who inspires them.

Directors who hold high standards, who are trusted, charismatic and have an attainable mission have the ability to increase the effectiveness of the organization, the satisfaction level of followers and the amount of effort followers are willing to put forth. Followers want to be treated equitably, but individually, on a one-to-one basis. Directors who can do this also increase the effectiveness of the organization, while also indirectly addressing the turn-over/burnout issues. As mentioned in the Literature Review Section, previous research (Avolio, Waldman & Einstein, 1988; Bass, 1985a; Hater & Bass, 1988; Waldman, Bass, Yammarino, and Einstein, 1990) found individualized consideration, inspiration, intellectual stimulation, and charisma produce higher levels of effectiveness, satisfaction and extra effort.

Although planning is the single most important dimension determining how effective a director is, the results of this research indicate directors perceive effectiveness as also being highly correlated to the transformational trait of charisma. The transformational trait, idealized influence has the strongest correlation to satisfaction, and finally, the transformation trait, inspiration, has the strongest correlation to extra effort. The following chart summarizes director and follower results of which traits have the highest correlations to the three outcomes.

Outcome	Directors	Followers
Effectiveness	Planning Charisma	Idealized Influence Individualized Consideration
Satisfaction	Idealized Influence	Charisma
Extra Effort	Inspiration	Inspiration

Table XXVIII illustrates that staff and volunteers can clearly distinguish between the transformational (leadership) and transactional (management) traits in their directors. Also Tables XXIV, XXVI and XXVIII clearly illustrate that the transformational (leadership) traits have much more to do with the three outcomes than the transactional (management) traits. Effectiveness is not correlated to transactional traits- management isn't enough. Followers want leadership. How can directors of homeless service organizations develop better leadership skills? This survey instrument allows each director the opportunity to have followers assess specific areas they can work on. Although all of the traits are ones that can be improved upon through a variety of techniques (workshops, self-improvement books, conscientious application of principles, etc.), charisma would probably be the most difficult to acquire.

The transactional leadership process, in which the leader clarifies what the followers need to do to be rewarded, is an essential component of effective leadership. The newer paradigm, augmenting transformational leadership with transactional, is likely to have direct relevance to the organizations used in this research and other non-profit organizations where the rewards are more personal, less materialistic and more social. Burns (1978) pointed out that the moral "movers and shakers" of the world don't cater to their followers' self-interest as much as they enable followers to transcend their own self-interest for the good of their group, organization, community, or society (Bass, 1990).

D. Interaction of Planning and Transformational Traits

The most profound finding of this research is that for followers, the strongest relationship is between the outcomes of effectiveness and the interaction of planning and transformational traits. Directors who demonstrate strong planning combined with vision and inspiration are perceived as being the most effective, as indicated in Tables XXIV and XXIX, which summarizes the results of regression analysis. Although for the other two outcomes of satisfaction and extra effort followers are most satisfied with directors who demonstrate transformational traits, the interaction of planning and transformational traits was the next most influential as indicated in Tables XXVI, XXVIII, and XXIX. Age of the organization does not seem to affect this influence. Size of the organization changes the results only for the outcome of satisfaction, but not for effectiveness or extra effort. In other words planning and transformational (leadership) traits consistently influence how followers perceive the effectiveness of the director, how satisfied followers are with the director, and how much extra effort followers are willing to put forth. This begs the question, what are organizations and boards and doing to improve planning and leadership skills of the directors of nonprofit organizations? Also, what are directors themselves doing to improve their skills?

As previously mentioned, the relationship between an organization's planning, leadership, and management has been ambiguous. The relationship as it applies to nonprofit organizations is not well documented (Penn, 1991; Powell, 1987; Green and Griesinger, 1996). Yet the individual importance of each has been well documented. Several scholars (Green and Griesinger,1996; Bradshaw, Murrary, and Wolpin, 1992; and Siciliano, 1990) report that boards of effective organizations were more involved in policy formation, short-term strategic planning and long-term strategic planning than were boards of less effective organizations. It's also been well established that leadership

and management are also critical factors for effective organizations (Kotter, 1991; Drucker, 1974; Kotler and Andreasen, 1991; 1996). It is not surprising, therefore, that the combination of strong planning, visionary leadership have the greatest impact on effectiveness, satisfaction and extra effort. It is surprising, however, that in this research, transactional.management traits have either no or negative impact.

Directors of nonprofit organizations need strong skills in planning and leadership. This research indicates that a fair number of directors do not possess talents in both areas. Due to the crisis nature of day to day activities in homeless service organizations, time is probably not devoted to personal development of these skills, and yet that is what is called for. Unfortunately, there may be resistance to developing better planning skills in lieu of spending time on other instant gratifiers. Scholars have written extensively on the benevolent nature of people who work and volunteer in nonprofit organizations. They want to do good. Directors may not perceive spending time developing their personal planning, leadership, and management skills as useful as more immediate activities benefiting the organization. Yet unless these skills are present or developed, chaos rules. And in many organizations, chaos does rule.

Having a long-term strategic plan is a simple concept, but a challenging concept when it involves other people and organizations, oftentimes sharing resources. And to avoid duplication, homeless service providers need to coordinate resources, service and efforts. Yet only 47.5 percent of the leaders in this research involve other support agencies in coordinating comprehensive plans "fairly often" to "frequently, if not always."

In addition, Gibbs (1990), Wilson and Sommer (1990), Bryson and Crosby (1992), Reed and Sautter (1990), and others have suggested that part of the solution for

the problem of scarce resources lies in involving the public sector, the private sector (including corporations) businesses and individuals in the planning process and its implementation. Yet this research indicates low involvement of these resources (see Table III).

E. Size of the organization

Tables IX, X, and XI indicate the number of paid staff and volunteers and categorizes them as small, medium or large. Table XI illustrates mean scores for planning and outcome scores based on size of the organization. Size does not seem to matter when it comes to how often planning activities are performed or the outcomes of effectiveness and extra effort.

Much can be made of this. The pattern of a small nonprofit organization having high outcomes is frequent - small groups of labor organizers, dens in Cub Scouts, cells in '50's communism, the feminist movement. Unity of goals, purpose, and belief are often prior to the actual formation of the nonprofit organization; a critical mass of like-thinking activists form. Cohesion, helpfulness, common purpose are second nature. Galvanized and energized by a charismatic leader, and shown a plan and a goal, even mediocre followers can be turned on to participate.

The large organizations, with greater resources to use and greater needs for strong management, display more management skills and thus survive. One wonders is a solid core group might keep the large one going. That is, it may really be a small group with a lot of satellite helpers; a little group driving a larger group. Large organizations also started small and may have become large by doing the right things and doing them well.

They have planned as well as managed and led well. They have overcome many organizational problems.

And possibly as future research, how about gigantic organizations? Is there a point at which an organization collapses of its own weight, becomes virtually uncontrollable, and incapable of response to stimuli? I'm not sure of the answer, but it is an interesting concept and could be relevant. What are the limits of growth of local nonprofit organizations? Why? What elements and forces are involved? All of these might be addressed in future research.

F. Policy Implications

From a policy standpoint there are several noteworthy suggestions and recommendations that result from this research:

1. Commitment to 360 degree evaluations and program evaluations. Directors of nonprofit organizations, particularly homeless service providers, should have periodic upward evaluations from their staff and volunteers to better understand how effective they are as managers and leaders as well as performance reviews by boards of directors. Directors should also have both staff and volunteers evaluate programs and activities in order to improve performance.

Having followers evaluate leaders in terms of these traits allows leaders to more fully understand their strengths and weaknesses. Obviously not all leaders will do so, but leaders interested in increasing effectiveness would have specific areas to work on. Evaluations can lead to greater effectiveness and greater leader/follower satisfaction.

There are strong implications here for staff turnover/longevity, learning curves, training budgets, etc., as they relate to the ongoing success of the organization.

Regarding program evaluations, many times followers have a different perspective on the effectiveness of programs and services than the leader does. Leaders are missing valuable insight by not having followers, staff and volunteers, perform evaluations. Leaders are also creating a barrier to the communication process with followers by not providing these evaluations. In this research, 52.5 percent of the leaders indicated they had employees complete program evaluations "not at all" to "sometimes." This probably is not enough.

Nonprofit organizations should take efforts/pains to use or develop evaluation tools which are appropriate for a caring environment with caring goals, as well as for the workers/followers themselves. Traditional tools such as found in business, education, customer surveys, etc., simply may not be the most appropriate for nonprofits. They may not ask all of the appropriate categories, yet directors need to know what's working and what's not. But, think of the dilemma: getting like-minded, good, caring and perhaps admiring followers to let you know when you screwed up.

2. Understand the importance of planning. Although directors indicate the priority they place on planning activities, there are a number of directors who do not perform planning activities with enough frequency. For example, this research indicates that sharing written goals and objectives with staff and volunteers has the highest correlation to effectiveness, yet directors are not likely to share goals with volunteers, and many directors also do not share with staff. Other planning activities have similar responses. This situation needs to change.

In addition, I see more people who are anxious to go out and start doing and very few people who take the time to plan first. I also see in many team situations that the few people who may want to plan are often overruled by the rest of the team, the majority which want to act. And even if this deficiency is caused by the crush of day-to-day needs and crises, it is troubling that many of the leaders of organizations said they spend no time on certain planning activities.

3. Provide training on planning. Just as very busy people plan out their activities and needs using scarce resources, primarily time, directors and leaders need to appreciate the value of planning. One way of doing this is to provide workshops with experiential learning simulations where they can learn that those who plan are much more successful than those who don't.

There are many activities used in the business environment which would also work with the non-profit environment and which that are excellent learning tools. Planning workshops can provide the extra benefit of a "multiplier" or "cascade" effect: as trained directors plan effectively and operations grow more efficient (especially in an environment of constrained resources), the director/organization become models, and can advise other organizations and certainly a successful organization will be more attractive to outside funding agencies, government agencies and philanthropies.

Of course the bottom line, especially in nonprofit organizations, is to keep morale and productivity of volunteers and staff enhanced which contributes to greater outcomes and more met needs.

4. Understanding of leadership traits. This type of research provides an opportunity for directors to separate the global terms of "leadership" or "management"

into specific areas that can be measured and evaluated. Directors will be able to identify specific areas in which they are strong or weak. Directors who are committed to improving the effectiveness of their staff and the organization can pursue personal remediation of their weaknesses.

5. Internal training of leadership and management traits. There is every reason to believe that these positive leadership traits and the positive cascading effects they have on followers can be taught and learned in a structured context. Crookall (1989) reported that a 3-day training intervention that focused on improving transformational leadership resulted in a significant improvement in transformational leadership ratings, and performance and absenteeism rates, as compared to a comparison group that received situational leadership training.

Laissez-Faire, a lack of management or leadership, was shown in this and previous research to have the greatest negative correlation to effectiveness, satisfaction and extra effort of followers. Oftentimes leaders of these organizations need more knowledge of basic management skills of organization, directing and controlling. These leaders could benefit from a variety of skill-building topics: planning a budget, assessing skill levels of staff and employees, team building skills, performance reviews and evaluations.

There are many ways this development can take place. Many of these nonprofit organizations pool resources and meet for training and development workshops. Topics of future workshops could include development of leadership traits. There is also abundant literature for those interested in pursuing this path on an individual basis.

6. External training and educational support from universities and governmental agencies. An educational support system that can provide additional academic training and development for nonprofit leaders in conjunction with the regulatory agencies funding human service organizations is critical. Wish, (1993) has documented the development of a variety of higher education programs oriented toward the education or training of nonprofit managers. But what kinds of programs are appropriate for preparing managers for the challenges of running nonprofit organizations? Haas and Robinson (1998) are among others who agree that relatively little of the discussion about how to educate nonprofit managers is based directly on systematic research into the actual educational preparation of managers, and more is based on general theory of nonprofit management. Some educational possibilities include:

- Investigate the establishment of an administrative curriculum program that can provide direction for training in nonprofit, homeless service agencies. Colleges and universities may choose to include leadership courses in their nonprofit curriculums.

- Investigate the possibility of existing agencies, such as The Support Center of Chicago undertaking such a program. The Support Center holds seminars and workshops for nonprofits on a variety of topics.

- Investigate the establishment of a joint commission consisting of leaders in the public sector, private sector and higher educated to establish new training and development models.

In conclusion, we can dream dreams or we can take action towards achieving dreams and moving towards a vision many have: to improve the homeless situation. Implementation of these policies will serve to upgrade nonprofits not from the "outside-

and-above" implementation of training sessions and rules, but by "inside-and-next-to" consciousness that what we do at the organization is inherently and intrinsically valuable. Policy regulation, joint commissions, seminars and workshops don't confer value on an organization; indeed the work of the nonprofit lends value to policies and seminars. Re-defining "care" as central to life and society seems pivotal; once it is considered as important as guns and gasoline, it will attract attention, not have to beg or plead for it.

Again, a dream or a vision, but with a nice rhetorical flourish: society provides resources to that which it defines as important; care is defined as important, society will therefore . . . .

G. Future Research

These results have several implications for future research. They suggest that additional information is needed on how much time is spent on initial and on-going training for both staff and volunteers and how this relates to the effectiveness of the organization. Do well trained followers rate leaders higher in terms of transformational characteristics and effectiveness? If the transformational theory holds true, leaders help followers develop higher levels of ability and leadership skills.

This research should also be duplicated in other geographical areas to see if the findings can be replicated, particularly with regard to the planning questions.

The concept of transformational leadership and planning is very attractive to some, overly simple and romantic to others. I firmly believe it makes the difference in organizations that have the greatest impact. I believe this and previous research support

the conclusion that the planning, combined with the transformational traits of charisma, inspiration, intellectual stimulation, and individualized consideration are traits associated with powerful leadership. The combination of planning, transformational traits and contingent reward results in directors who are more effective, who cause followers to feel more satisfied and who can initiate extra effort on the part of followers.

But there are many questions regarding transformational leadership that this research raises that are not addressed here. Is transformational leadership always worth the effort it takes? When organizations have more than one transformational leader, is there conflict and/or a deterioration in effectiveness? How does transformational leadership relate to the different stages of organizational development? Does the type of organization have an effect on how satisfied leaders and workers feel? Does it last? How some leaders sustain connectedness in followers over time is an intriguing idea for future research.

Additional research that measures transformational, transactional, and outcomes of effectiveness before and after training would be invaluable information on how we can improve effectiveness and how to structure training programs for leaders. Additional research can address these and many other questions that will arise.

One research topic for the future might include more specific questions on budgets and resources (it's usually easier to do anything if you have the money). What effect do budgets and resources have on planning, effectiveness, satisfaction and extra effort?

Further research could be conducted on the import of two-wage earner families (and the need for 2 incomes) on volunteer groups. May groups suffer from lack of

volunteers due to hectic, over-filled schedules. As women gradually, but inexorably take to the market, less time, attention and energy is available for nonprofit organizations. With fewer workers, there is a premium on those who do volunteer, and training these workers takes on an entirely new significance: they may well be all we'll get! So training could become an imperative to survival of nonprofits.

A third research topic might focus on the management team of nonprofit organizations. Are they amateurs without formal training or professionals with extensive training? How much personal development do directors involve themselves in?

A fourth topic for future research might be to scrutinize public vs. private nonprofit organizations. Do public organizations tend to be bureaucratic and transactional, while private are empathetic and transformational? Which is more effective? Which has more satisfied followers? Which has workers who are willing to put forth more effort than others?

A fifth topic might look at the ability to attract donations/contributions/support - who is more successful, at soliciting funds, those who plan or those who don't or transactional or transformational directors? Who would raise more money for a shelter: Robert McNamara or Mother Theresa? What effect does planning have?

Also, is there any relationship between planning, leadership, and management and types of policy intervention such as emergency, transitional, or preventative? Do directors who plan get their organizations more involved in prevention measures? Do transactional directors focus more on emergency programs?

Finally, much of this research could be repeated through different cultures, genders, political orientations or even ethnic backgrounds. For example, what works best in an AIDS hospice, or a shelter in a largely Hispanic community? A recent example clarifies this point. A male was fired as manager of a homeless shelter for women because the board members no longer felt clients were comfortable with having a man as director. No mention was made of whether or not he was effective with staff or volunteers. These and a bewildering variety of similar questions should ultimately be addressed. As I mentioned at the very outset, not much serious work has been done in this area; my efforts are only a start. And since there appears to be not end in sight to social problems, similar research conducted from a multiplicity of perspectives might be given high priority.

As a sideline, while there are no definitive, agreed upon feminist principles (there are many) or orthodoxy (there are many orthodoxy's . . . and as many heresies), women's' perspectives needs the priority since 1) clients of the homeless shelters I studied are overwhelmingly females; 2) workers/volunteers are predominantly female, and 3) leadership of the nonprofits studied are predominantly female. We have, bluntly, women bearing both the efforts of and responsibility to remedy social ills. As poverty in this nation has been largely feminized, so too the solutions need a feminized approach, a "woman's touch" in a contemporary context. As women continue to make their distinct influence felt in most areas of life, the development of feminist, womanist management tools and skills will evolve.

How a nonprofit serving women, run by women, managed by women using women-designed skills and techniques is thrilling to contemplate. But both the reality and the ground breaking research towards that reality are still in the future.

H. Summary

All of these issues are exciting topics that others may be interested in exploring. This research has found many of the same findings as previous research on transformational and transactional traits. But this was the first, and hopefully not the last, that seeks to combine planning to the concepts of leadership and management. Nonprofit organizations may seek to duplicate parts of this research on their own directors for many reasons, including maximizing effectiveness, satisfaction and extra effort. Hopefully this research will begin a movement to require directors to be more accountable for success.

Appendix

A case study of planning, leadership and management at a domestic violence shelter

One example of how a homeless service organization involves planning, leadership and management is described below. All information on this case was obtained by personally attending a 50 hour training session, volunteering over a 16 month period, and interviews with staff and directors. This domestic violence shelter is in the southwest suburbs of Chicago. The information that follows is not meant to describe what might be a typical shelter. It is used only as an example of how one institution incorporates planning, leadership and management.

Strategic planning is performed exclusively by the Board of Directors. The board is made up of professionals (doctors and lawyers), succesful corporate executives, and one government official. It is considered a coup de grace to be asked to serve on the Board. The board meets monthly, planning is done in yearly and 5-year increments.

The management functions of planning, organizing, directing and controlling as previously discussed above are demonstrated as follows:

- Planning. The planning function determines an organization's objectives and strategies to achieve them (Ivancevich, Donnelly and Gibson, 1989). Planning is often overlooked and the daily method of operation is that of crisis mode. How staff and volunteers are to perform changes on a daily basis. For example, The Coalition for the Homeless recently reviewed the planning process and found many problems and areas not recognized. Although there is a mental commitment to the process of planning, the actuality is that it never gets done because no one makes time to develop it. Part of the problem is turnover of directors. There have been four directors in the last 6 years. The

shelter has operated without a director a period of 10 months because the board could not agree on criteria for a new one.

- Organizing. The function of organizing is to create structure (Ivancevich, Donnelly and Gibson, 1989). There are established policies, procedures and methods for many tasks, far too many to mention here, but some examples follow.

Crisis Calls. Anyone who calls the Center for any service is documented on one of several "telephone intervention" forms. There are separate forms for men and for women. Statistics are kept on all calls and are used to compile reports associated with to obtain funding from various sources. All callers seeking help are also documented on "alpha cards" and numeric cards. Alpha cards are filed alphabetically in either the men's file drawer or the women's file drawer. Each new caller is given a client number that is filed in the numeric cards rolodex. Client identification numbers are used for reasons of confidentiality, and all appointments are booked by identification number and not names.

Most male callers want information on Choices, a counseling program for male abusers. The majority of these men have been arrested for domestic violence and have been ordered by the court to enter a domestic violence counseling program. In addition to the telephone intervention form, an application form is completed over the phone for Choices and a telephone interview with a counselor is scheduled. The program last 26 weeks and is led by trained counselors. Choices costs a male between $350-$700 and is based on a sliding income scale.

For a woman calling who has been a victim of abuse a woman's telephone intervention form is completed. If the woman is seeking emergency shelter an intake form is completed. If the woman does not seek shelter, but would like free counseling an appointment is scheduled.

There are procedures on giving clients directions to the shelter, how to indoctrinate a client to the shelter, rules clients must follow, chores they must do, forms they must sign and forms they need to have others sign, etc. It is a very detailed, overwhelming amount of paperwork, policies and procedures that have been built over a period of time. Might there be more expedient ways of doing things? Probably, but change is slow to occur.

The policies, procedures and paperwork change quite frequently. This causes chaos and both staff and volunteers laugh at their inability to keep up. The most likely reason why things change so often is that there was and continues to be a lack of planning upon which all other activities are based.

- Directing. Directing or managing focuses on the people in the organization and how to enable them to achieve the organization's objectives by using the policies and procedures (Ivancevich, Donnelly and Gibson, 1989).

There sometimes is, as previously mentioned, a managing director and several coordinators to whom all other paid staff and volunteers report to. For example, there is a volunteer coordinator to whom all volunteers report to. This coordinator seeks new volunteers on a continuous basis and provides training programs 6 times a year.

Each training program includes 8, four hour sessions. After a volunteer starts working there is minimal contact with the volunteer coordinator.

Because there is high turnover of counselors and paid staff, most volunteers do not know the names of many of the counselors and paid staff and are not aware of their job responsibilities.

This shelter is open 24 hours a day, 7 days a week. At least one staff person is always on the premises. This results, however, in many people not seeing each other and limits their ability to communicate with one another. To combat this problem, weekly staff meetings are held and all staff and coordinators are expected to attend. These meetings provide an opportunity to communicate with one another on a variety of topics, and communication is both upward to the Director, and downward to hourly staff. Volunteers do not attend, but receive information from the volunteer coordinator vis-à-vis memos.

There are additional communication avenues that are used including mailboxes and office memos as well as the one-on-one contact staff may have with each other.

- Controlling. A manager has the responsibility to make sure that actual performance of the organization conforms with the performance that was planned (Ivancevich, Donnelly and Gibson, 1989). Since this shelter receives funding from individuals, organizations, and government agencies, they must provide many different statistics on what is done on a yearly basis. In addition they must substantiate that the organization is meeting the needs of battered women and that money is being spent according to the yearly plan.

Part of controlling includes managing the human resources. Performance standards are part of all staff job descriptions. Staff are evaluated yearly, and a review session is held with the director. Volunteers are not evaluated. This presents an enormous problem since there are many more volunteers than paid staff and no monitoring of volunteers is done in any form. Frustration level is high for those volunteers who work hard and are surrounded by other volunteers who simply show up and try to avoid answering phones or doing repetitive work like photocopying and stapling.

In summary, this case demonstrates the necessity of good management skills in operating a homeless service organization. But as has been intimated, management skills alone cannot cause an organization to reach high levels of effectiveness. The concept of shared power has been mentioned several times previously in this section. Management can work within the general confines of shared power, but once again, does not reach high levels of synergy. This is where we turn to the ideas of leadership.

Leadership is not really present at this shelter. Directors come and go with average tenure of 13 months. One recent director was not aware of all the programs offered at the shelter after he had been there for more than 7 months. Just as there is little focus on planning and management, the board does not recognize the importance of a strong leader.

The results are similar to other research findings in this literature review. There is high turnover and burnout of staff and volunteers and a feeling by most that there must be a better way to make this site more effective. There is no formal method of evaluation by workers or board members.

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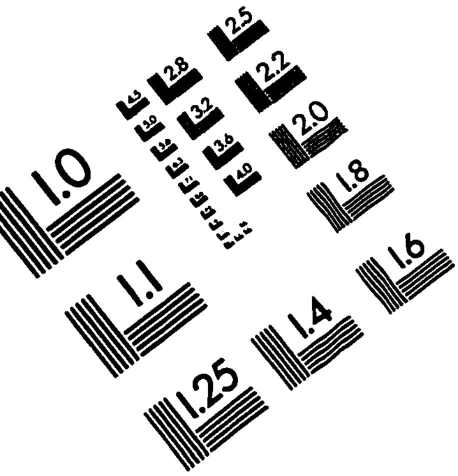

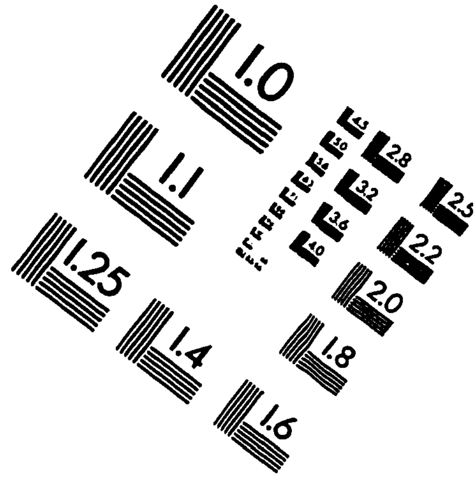

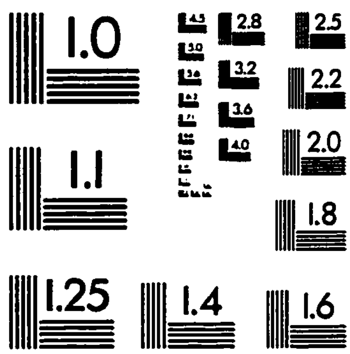

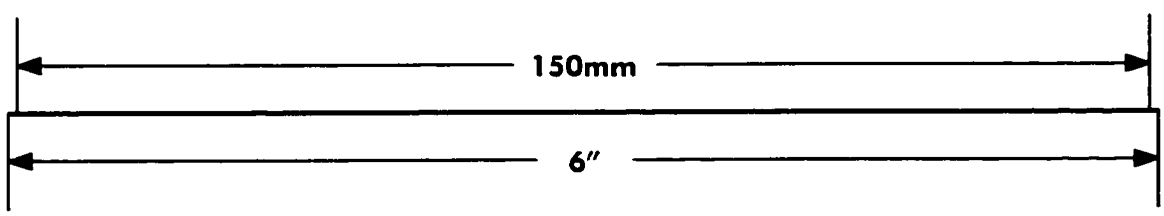

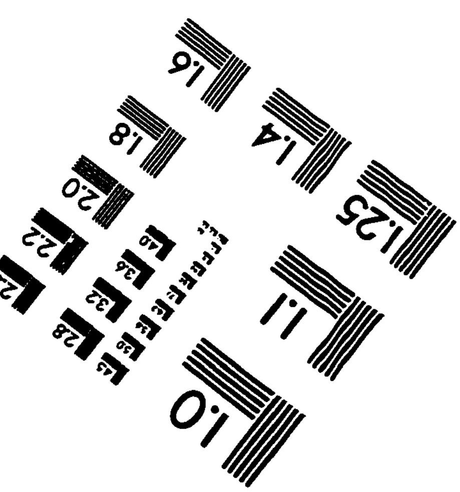

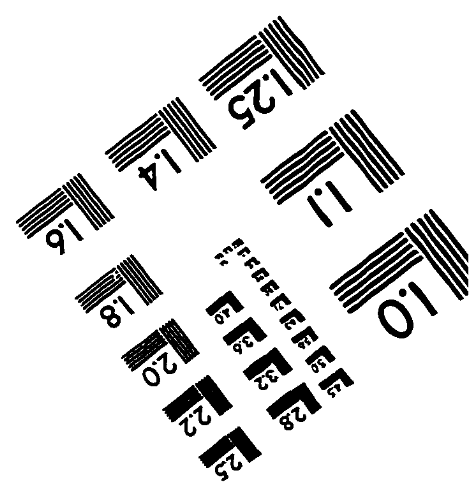

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