Providing a Conceptual Framework to Formulate Mission Statement in Nonprofit Voluntary Organizations – Case of an Iranian Organization

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Abstract

Nonprofit organizations come to existence based on the society's needs. Through the investigation of voluntary nonprofit organizations, it could be found that they share analogous goals and strategies. In this paper, it is tried to develop a framework to formulate mission statement in these organizations using benchmarking method in some voluntary nonprofit organizations all over the world. The framework paves voluntary nonprofit organizations' way to formulate and perform their strategic plans. Finally, developed framework is applied to an Iranian voluntary nonprofit organization to validate the results of this paper.

Keywords: Voluntary nonprofit organizations, strategic planning, mission statement, benchmarking, case study

1. Introduction

Organizations, in general, can be divided into three different categories; profit, nonprofit, and governmental organizations (Helmut & Wolfgong, 1990). In recent years, strategic planning for nonprofit and voluntary organizations has raised attention and many studies have been conducted in this field (Sharon, 1995; Pynes, 2008; Kaplan, 2001; Allison & Kaye, 2005; Pynes, 2009; Samples & Austin, 2009). Strategic planning can provide the senior managers in nonprofit voluntary organizations with a set of concepts, tools, and procedures by which they can set their goals in the changing environment surrounding (Schwartz & Austin, 2009). Strategic Planning, in fact, is a road map to achieve grand goals in the organization (Sharon, 1995). The high political and social sensitivity of nonprofit organizations, limited financial resources and high effectiveness from the environmental variables surrounding them are among the reasons that double the importance of strategic planning for the voluntary organizations. Offering different models of classification, experts in this field are to create a background for a better identification of these organizations (Brayson & Crosby, 2009). Objectives based scheme, the scheme based agreement relations, consumption and interest based scheme and the Mintzberg scheme are among the most important models presented so far (Derek & Hickson, 2007; Salemo, 2009; Hal, 2009; Mintzberg, 2009). In addition, researchers and experts, according to specific applications have adopted various approaches in differentiating organizations such as system approach, economic approach, and the scheme based on the level of dependence to the government (Daft, 2009). The move toward strategic planning and performance measurement provide public organizations with procedures to identify and celebrate the mission of the organization and the employee's role in achieving this mission (Moynihan & Pandey, 2007).

The strategy and mission of the organization must be aligned with the programs offered by the organization. The ability to make the social undertaking's strategic focus compatible with the needs and expectations of the various interest groups (e.g., internal collaborators, organizations, or individuals that provide resources, beneficiaries, etc.) becomes one of the main duties of leadership (Comini & Fischer, 2009). The concept of mission has become increasingly fashionable in discussion of strategy (Dobson, Starkey & Richards, 2004). The Core of every nonprofit organization is its mission (Brown & Carlton, 2003). So the mission must be declaring clearly. Clarity of mission will be demonstrated in a number of ways, but presence of a clear, concise mission statement is an important as the first step (Allison & Kaye, 2005; Hall & Kennedy, 2008). Nonprofits may face an image crisis if they adopt corporate behavior such as marketing, so must be clear about their mission (Dolnicar & Lazarevski, 2008). The existence of a mission and good strategic plan tells the public manager that the organization knows what its priorities are and understands what efforts are needed to accomplish those priorities (Hall & Kennedy, 2008). However, lack of a coherent framework for the mission of nonprofit organizations has been always a bottleneck in the strategic planning process of these organizations resulting in the scattering of strategic plans in this area; therefore, based on the experience and performance of several voluntary nonprofit organizations in Iran and abroad, this study tries to present a model in order to provide an appropriate context for the results of operations in these organizations.

Private not-for-profit organizations combine characteristics of a public sector agency with those of a private, proprietary firm. In particular, nonprofits are required to address designated social missions while breaking even financially (Young, Jung & Aranson, 2008). This structure underlies the difficulty that nonprofit organizations face in making decisions with important resource implications. Specifically, choices that would achieve maximal mission impact may differ from the choices that reward the organization in purely financial terms. As a result, nonprofit managers face a variety of trade-offs between mission responsive and financially rewarding actions. This paper considers some of these tradeoffs in the context of pricing decisions by nonprofit organizations. Next, the literature review section will be started with a brief introduction to the voluntary nonprofit organization, their history, and characteristics. In the third part of the paper, the process of benchmarking study from selecting organizations to achieving their mission statement's components will be described in full. In the fourth section, a brief description of the mission statements components will be followed by the model presentation. Finally, research limits and also the results of models implementation in an Iranian nonprofit organization will be discussed.

2. *Voluntary Nonprofit Organizations*

During World War II and afterwards, peoples hate towards war and also governments need to involve people in rebuilding the country, paved the way for nations that beside the modernizing themselves, cooperate with the government in rebuilding the country in the form of nonprofit organizations (Helmut & Wolfgong, 1990). After that, these organizations evolved so fast and today they are looking for bigger goals. This kind of organization has increasing importance in most modern economics, not only as provider of goods and services but also employers (Speckbacher, 2003). Voluntary nonprofit organizations are the organizations, operating on the basis of non-commercial interests of their stakeholders and the dominant structure of their work forces consists of volunteers (Garner, 2010). (Due to lack of financial incentives, the main stimulus for the members of a Voluntary nonprofit organization is their ambitions and ideology. These organizations usually have a free structure and instead of using usual employment procedures, they apply advertising to recruit the required manpower (Mook, Richmond & Quarter, 2003). From the ownership perspective, in general, organizations in one country can be divided into three categories of public, private, and the third sector. Figure1 represents the active organizations in one country classified from the ownership perspective (See Figure1). The important point in this graph is the overlapping between non-profit and non-governmental organizations. Many authors do not define a clear distinction between these two organizations. Studying voluntary nonprofit organizations results in the following properties for these organizations (Gazley & Brudney, 2007):

> 1) They are spontaneous.
> 2) They have a charter, goals, determined organizational structure.
> 3) No income or profit is entitled to the volunteers and members.
> 4) They are not party or political organization and have no affiliation to political groups or government agency.
> 5) Their members are volunteers.
> 6) They accept members and the admission criterion is only the charter and the free will to work.
> 7) All activities are made public and they have clear performance.
> 8) The financial status of the organization, which includes revenues and the costs, is clear, and accessible to members and others.
> 9) Their goal is to help improve the community, preserve national interests and public interests.

So the main features of the voluntary nonprofit organizations are the non-financial goals, being charitable, being idealistic, voluntary nature of members and independence from the government.

3. Research Methodology

By means of benchmarking method, in this study we are to provide a model as a conceptual framework to formulate the mission statement of these organizations. We define benchmarking as "the continuous process of measuring products, services and practices against the toughest competitors or those companies recognized as industry leaders, i.e. the search for industry best practices that will lead to superior performance." (Camp, 1989). Benchmarking in public sector must be done between public agencies with very similar aims and other organizational characteristics such that actors actually perceive differences or qualitative improvements in delivering similar services to constituencies (Kouzmin et al., 1999). In order to determine the organizations which are selected for benchmarking, some criteria are needed to make the selection process more precise. Thus, at first, based on the three main criteria of voluntary nonprofit organizations, namely **charity, voluntary nature and idealism**, and on the basis of library studies and extensive Internet search, a number of organizations around the world were identified.

In this case, the prototype consisted of 36 Iranian organizations and 30 organizations out of Iran. As this study took place in Iran, and according to the availability of information, more local organizations were selected to conduct the study. It is important to note that the organizations out of Iran included a larger list of 80 nonprofit organizations at the first stage (See Figure2). Therefore, according to the main features of nonprofit voluntary organizations mentioned in the previous section and several early stages of data refinement, three international organizations, namely National Corps America, America Red Cross, Boys Scouts and two Iranian organizations, namely Office Consolidation Unity Organization and Youth Organization of Red Crescent Society were selected for comparative study (See Table 1)

The next step is the process of gathering information and reviewing documents. In this context, the method used to collect data was the study of web documents (especially in foreign organizations), library Studies, and several interviews with experts (in internal organization). In studying the targeted organizations, the considered items are as follows:

- Philosophy of existence
- Geographic activity range
- Audiences
- Products and services
- Organizational value

Finally, based on the gathered information, a framework will be developed in which basic components of mission statement in nonprofit organizations is determined to be used as a basis to develop mission statement in any nonprofit organization.

4. The Conceptual Model of developing mission statement of voluntary nonprofit organizations

Analytical evaluation of strategic plans in these organizations showed that there are many common elements in their mission which can be attributed to the nature of the organization. In other words, natural features of the voluntary nonprofit organization necessitate such attention and emphasis on certain issues in the organization's mission statement. This common pattern in developing the mission statement in these organizations can provide us with a very good conceptual framework in analyzing and explaining the mission of voluntary nonprofit organizations. In other words, the key religious considerations of these organizations should be emphasized in their mission. The most important factors leading to the mission statement components are shown in the figure 3 (See figure 3). Reading through the documents indicates that each of the above mentioned organizations, based on desired ideology, have developed their organizational missions in which they have also expressed their philosophy, organizational values, products and services available to the target group, the audiences' range of activity etc. Concluding on the fundamental issues mentioned in the mission of these organizations, the components of the mission statement of these organizations are provided in the table 1 (See table 2). According to the table, the analysis of components of the voluntary nonprofit organizations' mission statement is as follows:

A) **Emphasis on generating public benefit is the general existence philosophy of the organization**: The voluntary nonprofit organizations, as their name implies, should have primarily the function to generate public benefits and interest in the society. This means that before any other goal, volunteers must spend their own abilities and capacities to charitable and philanthropic goals.

B) **Maximum geographic extent of activities**: charitable and philanthropic nature of activities in these organizations has provided them with such an opportunity to define the scope of their activities beyond respective national and geographical boundaries,

so that of volunteers in charitable activities do not often recognize any border and any particular race or ethnicity, and wherever he feels the ability to serve and influence, the volunteer diligently steps in and serve.

C) Maximum extent of audience: to be successful, sustainable and progressive, voluntary organizations should broaden their service range from limited segments of the community and serve the various sections of people and the general population, because their voluntary and idealistic nature requires that they define their aspirations in a macro levels and cover the people as far as they can. For example, despite the broad range of the American Red Cross members, the organization has encouraged the establishment of student clubs as one of its strategies so as to use effectively the influence and the capacity of the student community.

D) Providing charitable services and products: It is clear that profiting from products of such organizations must be primarily assigned to the public as otherwise their charitable and idealistic nature will be hurt. Therefore training the members and institutionalizing idealistic norms in them is one of the initial prerequisites to achieve this purpose.

E) Emphasis of the organizational values on volunteering and idealism: Basically, in defining the values of such organizations, if the voluntary and idealistic nature has not been assumed as the model, they will be diverted from their main function and after a while they will fall in conflict. Therefore, attention to this issue in developing organizational values, will guarantee growth and improvement and reliability of these organizations. Examining the components of mission statement results in the figure 4 which is considered as the conceptual model in developing the mission (See figure 4).

5. *The Case of an Iranian Nonprofit Organization*

In early 2010, this model was applied in the process of formulating the mission of an Iranian nonprofit student cultural organization. The non-profit nature of this organization along with functional requirements of the student environment necessitates that the mission functions of this organization should be developed within that conceptual model and according to the essential and natural features of student organizations. Accordingly, the mission functions of this organization are as follows:

1) Emphasizing on issues of non-economic areas and mainly cultural and student unions topics in defining programs and activities of the organization (with the aim of providing public services and products and maximizing the range of audiences);

2) Assuming the intellectual leadership role in social movements of the community (maximizing the geographic extent);

3) Following the ideal mission that are not met in the past generations of the organization (emphasis on idealistic values);

4) Efforts to preserve health in specific areas rather than criticizing the whole community and full reconstruction of whole social system (emphasis on idealistic values);

5) Education and training of future community leaders through valuable training methods in form of parliamentary participation, presentations in public places and training political behavior (emphasis on public services and charitable products);

6) Developing and deepening students insights and understanding of political, social, and cultural subjects especially in developing countries (emphasis on public services and charitable products);

7) Emphasizing on minimum commitments of members to accept the role in the organization and avoiding the assignment of abstract commitments to the members in order to increase and maximize the number of members in the organization (emphasis on the value of voluntary participation and maximizing the range of audiences);

8) Efforts in building the religious identity in the students (especially in the religious student organizations) and also socializing the students based on the strengthening of nationalist values in the students (emphasis on the philanthropic spirit);

9) Becoming the main element and provider of attitudes and beliefs in students (emphasis on idealistic values);

6. *Conclusion*

Voluntary nonprofit organizations today face organizing challenges in this globalizing world. They are forced now to organize themselves in a much more strategic and global manner. In order to influence in the today's world they must provide assistance beyond the local level and expose themselves to the patterns that effect poverty, discrimination, and violence. In this dynamic environment, voluntary nonprofit organizations need to adopt approaches and methods for cooperation through strategic partnerships that brings the local and global processes into connection. Nonprofit environment has forced the nonprofit organization to change management methods.

Now nonprofit organizations are encouraged to use organizational resource in an efficient manner. As discussed in this paper, practitioners must develop a framework for appropriate strategic management in nonprofit organizations. The purpose of this study was to propose such a framework through a mission benchmarking in the selected organizations to smooth the progress of the mission statement development. The model can be used to facilitate the implementation of strategic management and strategic planning process especially in the start-up and emerging organizations.

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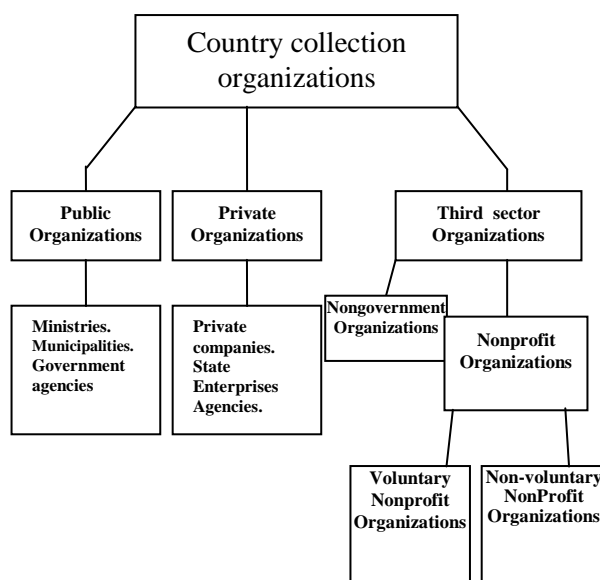
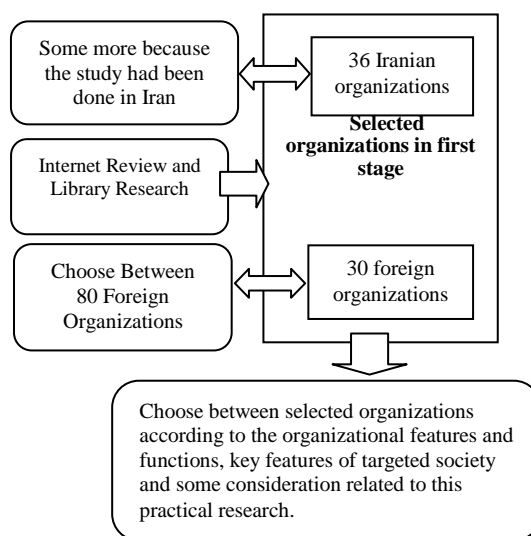**Figure 1: Organizations Classification model**

Figure 2: Selection Process of Studied Organizations

Table 1: The Names and Characteristics of Studied Organizations

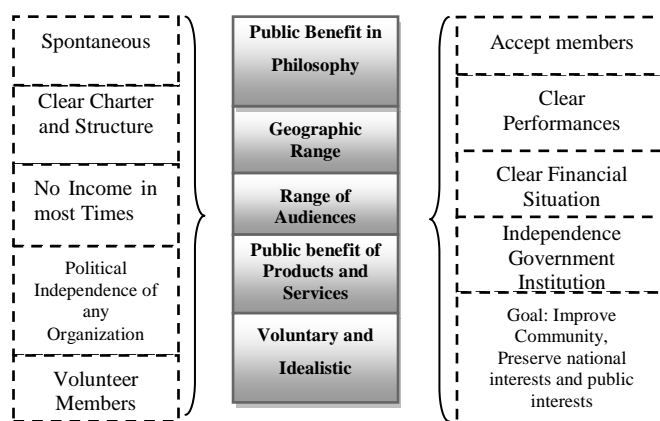| Row	Organization	Country	Website
1	American Red Cross	America	www.redcross.org
2	America's National Army	America	www.americorps.org
3	Boy Scouts	America	www.scouts.org
4	Iranian Red Crescent Society	Iran	www.youth.rcs.ir
5	Office Consolidation Unity Organization	Iran	www.tahkimnews.ir

Figure3: Achieving Mission Statement Components with help of Voluntary Nonprofit Organization's Features

Table2: Components of the Studied Organization's Mission Statement

| Mission statement components / Organizations	Philosophy	Geographic activity range	Audiences	Products and services	Organizational value
American Red Cross	Prevent and relieve human suffering ensuring protection of human dignity, protection of life and human health, disease prevention and health and social welfare promotion, encouraging volunteer services, preparation for relief and assistance, creating empathy among the members and needy population. (Existence philosophy of student volunteers: Applying students to duties in line with related activities in universities and organizations within local communities of students residence place)	National and international	Needy people in national and international regions of Earth, members	humanitarian services to the population of American society and other needy people in times of world crisis First aid and rescue training	Humanity, no discrimination, impartiality, independence, voluntary services, unity, integrity
American National Corps	Promoting people's lives, strengthening communities, supporting employment and civil services through voluntary activities	National	American society and local communities, especially disadvantaged sections	Direct or indirect public social services to American society (through local communities)	
Boys Scouts America	Promoting the welfare of young people Teaching social values to young generation Making the young people familiar with the duties of citizenship Increasing the ability of young people to guide social groups	National	Teenagers and young generation of society	Teaching social values and norms of American society to the members	
Red Crescent Youth Organization	Using active, spontaneous and voluntary young in different conditions in order to create and deepen their sense of philanthropy and their participation in order to fulfill the mission and goals of population.	National and international	Youth members of the organization (educational and cultural activities)	Educational and cultural services for members; Charitable activities and relief operations	
OCU	Pursuing goals of Student Movement (two ideals of justice and freedom)	National	Students	Political Enlightenment and information	Being ideological, belief in Islam, trying to deepen the Islamic Revolution in three ideologies of independence, freedom and Islamic Republic, supporting the poor of the world, especially Muslims, believing the constitution and the Cultural Revolution as the foundation of all revolutions
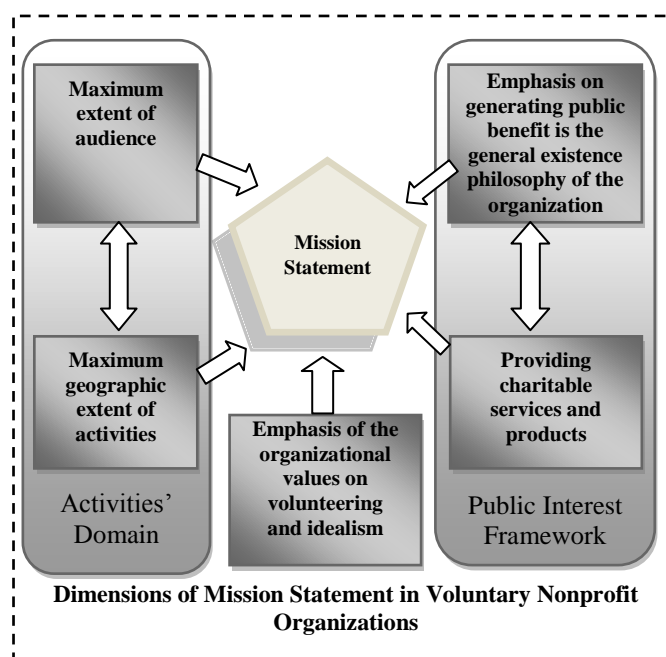
Figure 4: Conceptual Model in order to develop the mission