

The Impact of a Restructuring on Volunteers

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In an effort to meet increasing needs, improve services or simply survive, many nonprofits routinely design and implement creative new organizational structures. There are widespread changes underway at numerous nonprofit organizations throughout this country. Unfortunately, it seems that little attention has been paid to the impact of all these changes on volunteers and their ongoing participation in these agencies.

Over the past decade there was a dramatic increase in corporate mergers and takeovers. Daily newspapers continue to be filled with reports of plant closings and white collar and blue collar lay-offs. Reorganizations in the corporate sector have varied in size and scope and have had mixed outcomes (Singer and Yankey, 1991).

The same time period was also characterized by significant decreases in government funding for services provided by the nonprofit sector. In light of these sweeping changes in funding patterns, and the fact that many corporate executives sit on nonprofit boards, it is not surprising to observe dramatic restructuring plans evolving among nonprofit organizations. Corporate representatives on nonprofit boards are often inclined to recommend strategic directions comparable to those they have experienced in the business sector.

Given that one of the significant outcomes of a reorganization is the effect that it has on personnel, it seems essential for

the nonprofit sector to examine the potential impact of a restructuring on volunteer personnel. Naturally, the more heavily an agency relies on volunteers, or expects to rely on volunteers within its new structure, the more important this issue becomes in choosing new strategic directions.

REASONS FOR A NONPROFIT REORGANIZATION

There are many reasons why a nonprofit organization would consider a reorganization. Some agencies are repositioning for the 1990's in an effort to maximize their resources, deliver services more effectively and efficiently, and reduce expenses.

Singer and Yankey (1991) in a study of eighteen nonprofit merger transactions in Cleveland, Ohio between 1985 and 1990 found that, in 94% of the cases, financial reasons, in particular limited resources, were a major force that led an agency to explore a merger, acquisition or consolidation. In 44% of the cases studied, increased competition and the inability of an agency to compete due to its small size was a major factor in considering a merger; in two-thirds of the cases, there was external pressure from funders.

Other factors that may lead to a nonprofit reorganization are: new leadership; the potential for growth and expansion; the potential for greater organizational stability; and changes in the needs of the population being served.

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TYPES OF RESTRUCTURINGS

There are various strategic directions that an organization may want to consider as it plans for the future. Below is a list of definitions of the major types of restructurings. It is essential to understand which direction the organization is moving in order to prepare for the potential impact on volunteers.

In an *expansion* the agency will add new programs and positions or introduce its current programs in new locations.

In an *acquisition* the organization acquires a program that had previously been under the administration of another agency.

In a *downsizing* the organization will reduce current staff and/or programming.

In a *merger* one agency acquires another. The acquired agency is completely absorbed, both administratively and financially, by the acquiring agency. One organization loses its corporate identity by another whose corporate existence is preserved (Aldrich, 1979).

In a *consolidation* two or more independent agencies form a single new agency. Each organization will dissolve entirely, and a new, single corporate entity will be formed (Consolidation, 1989).

In the case of a *dissolution* the organization is closed, programs are eliminated, and staff are laid off.

Increased or decreased *centralization* or *decentralization* of services and administrative functions may be an additional factor to consider in many of the above scenarios.

INVOLVING VOLUNTEERS IN ALL PHASES OF A RESTRUCTURING

The Greater New York Fund/United Way (1981) outlined four phases of a restructuring:

1. Making the decision
2. Planning
3. Implementing the plan
4. Evaluating results

These phases provide a helpful framework for examining the role that volunteers can have in successfully implementing a major reorganization.

Decision-making

There should be at least one volunteer who is a voting member of the task force developing recommendations about new scenarios. Inviting volunteers to have a voice in the decision-making process will help build support for the goals of the restructuring. If they are not asked to participate, it is likely that volunteers will become alienated from the reorganization process and the final plans.

Volunteers who are involved in the decision-making process have a significant role to play in assessing the potential impact of the various alternatives under consideration, advocating for appropriate volunteer participation, keeping other volunteers informed about the reorganization, and announcing the final reorganization decision. Volunteers bring a unique perspective to the table that is different from that of the paid staff.

Planning

If volunteers are expected to implement any aspect of the new structure, they must have a voice in saying what will be workable. Volunteers can gather information and conduct surveys or focus groups to identify the impact of alternative structures from a broad range of perspectives. Volunteers can help develop the written plan, prioritize steps in the implementation schedule, and help communicate the goals, objectives and timeline of the restructuring plan. The governing board, a volunteer body, must vote to approve the reorganization plan.

Implementation

The changes that come with any reorganization are likely to be unsettling at first. In order to help people adjust to those changes, it will be necessary to solicit input from volunteers and take steps to address their concerns. Staff concerns about job security and role confusion are frequently mirrored by volunteers who may be feeling uncertain about how they fit into the new picture. Since the rumor mill grinds out a great deal of misinformation in the course of a restructuring, it will be particularly important to have frequent, honest communications with all

staff, both paid and volunteer, throughout the reorganization process.

Direct communication with volunteers can make all the difference in how they perceive and respond to the upcoming changes. It is worthwhile to take the time to keep volunteers informed throughout the planning and implementation phases because it will generally save time and eliminate some resistance in the future. This can be as simple as assuring that volunteers are invited to meetings about the restructuring and seeing that they receive special bulletins or announcements highlighting any decisions, plans or progress related to the restructuring.

Evaluation

Volunteers must have an active role in evaluating the reorganization because they bring a different perspective to this task than paid staff. Volunteers can assist with defining the purpose of the evaluation, developing evaluation tools, conducting the assessment, and presenting results of the evaluation to others throughout the organization.

POTENTIAL POSITIVE AND NEGATIVE IMPLICATIONS

The Chinese symbol for change has two characters. The upper character represents danger while the lower one conveys hidden opportunity (Connor and Louderback, 1983). Similarly, within every nonprofit reorganization, there are likely to be both dangerous negative results and positive new opportunities for volunteers. Many people resist change because it can be threatening, upsetting, and generally implies some loss of the familiar. It is incumbent upon nonprofit leaders who want to maintain a volunteer workforce, to maximize the opportunities (positive outcomes) and minimize the dangers (negative outcomes) for volunteers within a proposed new organizational structure.

Many nonprofit leaders underestimate the negative reactions volunteers will have to new strategic directions and are

surprised three months after a reorganization decision is implemented to find volunteers resigning from their program. If key paid staff are no longer involved, many volunteers will leave because those individuals provided the necessary staff support for the volunteers to operate comfortably and effectively. Thus, it is important to anticipate not only the impact of a reorganization on paid staff but also how that will influence volunteer involvement.

Potential negative impact of a restructuring on volunteers

Volunteers may have negative feelings about a reorganization which could include a sense of:

- Alienation
- Anger
- Apathy
- Discomfort with the changes and the new methods of operation
- Fear of the unknown
- Loss or grieving for the "old way"
- Perceived or real loss of power

Widespread changes throughout the organization can have a negative impact on individual volunteers. Volunteers may become frustrated while the agency is in the process of deciding among alternative strategies. They may not believe the new plan will work and as a result they could become less motivated. Volunteers may be dissatisfied with their role in the new structure and they may lose enthusiasm and excitement for their work. In the case of an expansion or merger, volunteers may lose the intimacy and individuality that they enjoyed in the smaller program. In the course of a reorganization, volunteers may also lose their sense of individual and collective identity within the organization.

There will be corresponding negative implications for the organization as well. The agency may need to spend a lot of time allaying the fears and smoothing the ruffled feathers of unhappy volunteers. If the agency establishes unrealistic expectations for volunteers this will be revealed in disappointing performance results. The organization may lose volunteers and is vulnerable to receiving negative publicity



from volunteers who are dissatisfied with the changes.

The following behaviors are indicators that volunteers are resisting the changes brought about by a reorganization. Volunteers will visibly demonstrate a decrease in personal commitment by not fulfilling their obligations and there will be a corresponding high level of absenteeism. Volunteers will register complaints. Individuals may express personal dissatisfaction and protest that "this is not the way we've always done it." A group of volunteers may get together and write a position paper outlining their concerns about the new directions. In an extreme situation, it is possible that volunteers will obstruct progress or sabotage a project they are working on because they do not agree with the new organizational priorities.

The silent exodus is the strongest sign of dissatisfaction among volunteers. Like a dissatisfied customer in a retail store, a volunteer may not complain—he or she simply will not return. When large numbers of volunteers being to quit, it is a signal to managers that the new structure is not working or workable from the perspective of former volunteers. If this occurs, it is important to evaluate what is going on. *Why are volunteers leaving? What do these behaviors indicate? How can we halt this exodus?* It may be that volunteers never had the opportunity to become invested in the new plans.

Potential positive impact of a restructuring on volunteers

Volunteers may have positive feelings about a reorganization which could include a sense of:

- Enthusiasm
- Excitement
- Renewed energy
- Optimism about new opportunities on the horizon
- Being a part of the team
- Being welcome and needed

A reorganization can provide many positive influences for individual volunteers. The agency may operate more efficiently and as a result not waste volunteer time on trivial tasks. There may be increased

cooperation and improved team spirit among all staff members. There could be new opportunities for volunteers to use their talents as a result of introducing new programs and services. The new structure may also have fewer bureaucratic procedures so that volunteers can get their work done easier and more quickly.

There will be corresponding positive implications for the organization as well. A change in the organizational culture could be more inviting for volunteers. There may be more opportunities for volunteers to participate in the new structure and these volunteers will bring new perspectives, increased diversity, and fresh talents. New volunteers can expand the organization's capacity to meet pressing community needs.

The following behaviors are indicators that volunteers are supportive of the changes brought about by reorganization. Volunteers are actively participating in the planning process and there is open dialogue about new directions among board, staff and volunteers. Volunteers are engaged in discussions about how to improve the agency's programs and services. Volunteers are willing to do what it takes to get the job done, offer suggestions about ways to improve the work that they are doing, and encourage friends and colleagues to support the agency.

ASSESSING THE IMPACT OF A PROPOSED REORGANIZATION ON VOLUNTEERS

The following questions will help non-profit leaders evaluate the potential impact of a restructuring plan on volunteer participation throughout their agency. Any organization proposing a restructuring should work its way through a discussion of these questions.

1. What will be the overall impact of the proposed reorganization on volunteer participation in this agency?
2. What new roles will there be for volunteers in the proposed structure?
3. How many volunteers will be needed to implement the new plan?

4. How will current volunteers be incorporated into the new structure?
5. What existing volunteer roles can be deleted? Why?
6. What volunteer roles will need to be modified? How?
7. How will the proposed changes in paid staffing patterns affect volunteer participation?
8. What problems will volunteers encounter in the new structure?
9. How many and which volunteers do we expect to lose in the process of reorganizing?
10. What type of staff support is needed to sustain meaningful volunteer involvement in the new structure?
11. Who will coordinate volunteer participation in the new structure?
12. Who will handle each of the primary volunteer management functions in the new structure? (Consider the following: planning; recordkeeping and reporting; recruitment; screening and placement; orientation and training; and recognition.)
13. What problems do we anticipate in each phase of the volunteer management process?
14. If the reorganization is to succeed, what must be done to enhance volunteer participation?

The following are questions to consider in specific circumstances.

Downsizing

- How will volunteers be affected when the organization decreases staff support and/or closes an office?

Expansion

- What kind of adjustments will the agency need to make in order to accommodate new or more volunteers?

Merger

- How can volunteers from both organizations be incorporated into the planning process?
- Are there sufficient tools and equipment for volunteers to use?
- How will volunteers be introduced and brought together into a cohesive unit?

Merger, acquisition, consolidation, or downsizing

- Is there adequate work space to accommodate all of the volunteers?
- What changes are needed in the layout and design of the physical plant?
- How will a change of location affect volunteers?

Closing

- How can the organization help volunteers find similar work with another agency that has a comparable mission?

CONCLUSIONS

It takes years to build a strong volunteer corps and all of that hard work and goodwill can quickly be lost when an organization waves the magic restructuring wand without proper regard for the impact of a reorganization on volunteers. Nonprofit leaders must advocate for and assure meaningful volunteer participation in all phases of a reorganization process. Otherwise, it is likely that decisions will be made about volunteers without direct input from any volunteers.

Nonprofit leaders must thoughtfully consider how organizational changes will influence their volunteers. A poorly planned and executed nonprofit reorganization will have a negative impact on the volunteers involved and, as a result, the work they are expected to do for the agency will suffer. For a restructuring plan to be effective in a nonprofit organization, it must incorporate volunteers as an integral component in all human resource and programmatic decisions.

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