



## Book Review

**Helmut Anheier and Stefan Toepler** (Eds). *The Routledge Companion to Nonprofit Management*. New York: Routledge, 2020.

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*The Routledge Companion to Nonprofit Management* (*The Routledge Companion* hereafter) edited by Helmut Anheier and Stefan Toepler is one of the latest efforts by nonprofit scholars to compile research and knowledge accumulated in the current field of nonprofit management. Its heavy international focus sets the book apart from other nonprofit management textbooks that broadly scan similar topics that are internal or external to managing nonprofit organizations. The book consists of 35 chapters organized under six broad themes (management context, leading and planning, managing internally, managing externally, funding sources, and the social enterprise space). In reviewing this book, I focus my discussions on the topics that are relevant or related to public policy.

Public policy often intersects with nonprofit management in the real world, although explicit scholarly recognition and assessment of such intersections have been slow (Bushouse 2017). This gap in research is not to suggest that public policy has not been accounted for in nonprofit management. On the contrary, regulatory and tax policies at the national, state, and local levels have fundamentally shaped the direction of both academic inquiries and practitioners' concerns, at least, in the US setting. Focusing on these policy aspects by nonprofit scholars is understandable, considering the inherent nature of the sector (especially, public charities) as tax-exempt entities with public missions. Keeping the sectoral boundaries (from politics and business) and preserving charitable identities through changing policy environments have long been one of the central themes of nonprofit management scholarship (Brody 2006; Simon, Dale, and Chisolm 2006).

Over the past several decades, the borders between government, business, and nonprofits have steadily eroded, triggering occasional debates regarding identity crises among nonprofit scholars, practitioners, and advocates. During the last decade or so, the pace of sector bending seems to have accelerated, most notably through the rise of social enterprise. *The Routledge Companion* provides an excellent synopsis of this emerging trend in its last five chapters. Kerlin's chapter 31 and Krlev and Mildenerger's chapter 32 not only clarify loose and evolving definitions regarding social enterprise (and related concepts such as social innovation and social entrepreneurship), but also comprehensively review the most

recent developments in this literature. Han, Chen, and Toepler's chapter 33 and Abramson and Billings' chapter 35 further elaborate the detailed types of social financing and hybrid legal forms that have emerged globally within the span of only the last few years. In chapter 34, Krlev and Anheier devote their discussions to the theorization of hybridity, largely adopting the institutional approach (especially, institutional isomorphism) to explain the diffusion of the idea and to evaluate its impacts.

The book's international focus makes it plainly observable that the rise of social enterprise is a global phenomenon. In addition to the last five chapters devoted to the topic, a review of chapters two to nine, which broadly scan the global state of the nonprofit sector, suggests that this sector-bending practice is spreading beyond the Western hemisphere, with often indigenous adaptations and innovations that reflect the different contexts of regional adopters (see also Abramson and Billing's chapter 35 for specific hybrid examples abroad). Some of these variations are directly related to public policy. One clear example of this is found in Europe and the United States in their governmental responses to the emerging social enterprise sphere. For example, Kerlin (chapter 31) notes several European countries' embrace of the concept with "strong national government support" (p. 459), including the offering of specific legal forms (such as co-operatives) and guidance regarding governing principles through national legislation relating to social enterprises. Similarly, Krlev and Mildenerger (chapter 32) point out an active role played by the European Commission (i.e., an executive arm of EU) in the conceptualization and diffusion of hybrids among its member countries and beyond. Contrastingly, the development of social enterprise has largely been left to and driven by the private sector and foundations in the U.S., with governments at the state level only occasionally and inconsistently reacting to the phenomenon (chapter 31).

The worldwide rise of social enterprise and its variations serve as a good example to show how management contexts for nonprofit organizations converge or diverge across the regions, based on the interplay between global isomorphic forces and different policy environments created within nation-states or regions. *The Routledge Companion's* global take on nonprofit management also allows us to observe similar dynamics at play regarding government funding of nonprofit organizations and its effects on the voluntary sector. For example, the overview of the nonprofit sector in different continents and regions (i.e., the Anglo-Saxon countries (US, UK, Canada, and Australia), Continental Europe and Scandinavia, Central and Eastern Europe, Russia and the former Soviet Union member countries, Asia, the Middle East and North Africa, Africa, and Latin America) in chapters two to nine provides us with a holistic comparative perspective as to how the composition and main functions of the nonprofit sector, as well as the level of

governing funding, differ depending on nation-states' varying social policy preferences (e.g., state v. market for social welfare functions) and differing views on the role of government for service delivery (in-house v. contracting). *The Routledge Companion* does not offer a separate theory chapter or in-depth discussions within any existing chapters regarding socioeconomic, cultural and political history to explain the divergence. It is conceivable this is, perhaps, because relevant theories, such as welfare regime theory (Esping-Anderson 1990) or Salamon and Anheier's (1998) social-origin theory, have already been well established and widely used in comparative studies.

In contrast to the vast diversity found in the level and placement of government funding, Neumayr and Pennerstorfer (chapter 30) identify potential converging forces around the globe in the methods of government funding and their impacts on the nonprofit sector. One of the most notable isomorphic forces they discuss is the New Public Management (NPM), a dominant management philosophy that swept through many Western countries including the US, UK, Australia, and the majority of continental Europe. NPM's emphasis on efficiency through market competition, business-like management of an organization, and customer satisfaction pushed out large parts of the traditional government grant systems and replaced them with competitive tendering with quantitative metrics for procuring and evaluating vendors including nonprofit service providers. Neumayr and Pennerstorfer argue that government funding of nonprofits in the form of contract payment was further fostered by a transnational body, such as the EU, that promoted NPM-based policies among the member countries through public procurement and state aid laws. The authors also note that the widespread diffusion of contract payment for nonprofit service agencies has facilitated global research on the impacts of government funding on nonprofit management. While the nature of these effects is uncertain (especially, impacts on nonprofit advocacy activities), professionalization and bureaucratization of nonprofit management appear to be consistent consequences of contract-based government financing of the sector. Chapter 30 provides a nice summary of the studies that have accumulated in this regard.

In recent years, a newly emerging form of government funding that emphasizes social impacts and returns on investment (i.e., social impact bonds (SIB)) has seized much of the scholarly attention (Neumayr and Pennerstorfer, chapter 30), signaling that SIB might be the next converging pattern we will observe in government funding of the nonprofit sector. On the other hand, Han, Chen, and Toepler (chapter 33) remind us that social financing, which includes social impact bonds, collectively accounts for only a very small portion of overall nonprofit funding. These authors also point out that the known results of SIB worldwide have been less than impressive. Still, SIB is spreading globally since its inception in the

UK and limited adoptions in the US for prison rehabilitation programs, amounting to 132 impact bonds operating in 25 countries, as of May of 2019 (chapter 33). It is too early to tell the extent of transformation in government funding in this direction or the scope of its impacts, however.

While recent sector bending activities by charities and businesses have generated a dizzying array of hybrids and attracted intensive academic interest in this phenomenon, nonprofit advocacy has also garnered an unprecedented level of scholarly attention in recent years (Pekkanen and Smith 2014). Advocacy is not a new topic in nonprofit management. In fact, the majority of nonprofit management textbooks have offered a chapter or two devoted to the subject in the past, typically focusing on tax policies and government regulations on the types and scope of political activities that are allowed for nonprofits to safely engage in to influence public policy. The increased interest in the topic comes with significant shifts in the direction of research – that is, nonprofits as active players in public policy and politics rather than passive participants. It should be noted that nonprofits' role in policy and political processes have long been studied in other disciplines (see, for example, Berry 1977 for interest group studies). This venue of research within the field of nonprofit management is, however, a relatively recent trend.

*The Routledge Companion* does not offer as extensive and systematic coverage of this topic as it does for social enterprise. Nevertheless, Mosley, Weiner-Davis, and Anasti (chapter 23) provide a fairly comprehensive synopsis of current developments in the nonprofit advocacy literature. For example, they broadly discuss what nonprofit advocacy researchers have learned so far concerning the extent of advocacy activities, organizational characteristics associated with the level of advocacy activities, barriers and facilitating factors, and advocacy venues and tactics. The authors of chapter 23 also explore the extent of collaboration among advocacy organizations and the motivations behind the pursuit of collective action via coalitions. According to Suarez and Hwang (chapter 22), intra-sectoral collaboration among nonprofit advocacy organizations has been researched more extensively than their cooperation with intersectoral counterparts (i.e., government or business), which indicates a gap in the literature. For the former type of collaboration, Suarez and Hwang report the coalitions of advocacy organizations in domestic or transnational social movements to be most commonly recognized in scholarly work. Suarez and Hwang additionally identify the state of the literature in cooperation within or between the sectors for service-delivering nonprofits. These discussions are worth reading if one is interested in collaboration and network studies.

LeRoux and Feeney's chapter 24 introduces a relatively new conceptualization of nonprofits in the political process, at least from within the field of nonprofit management. The focus of the authors' attention in this chapter is not on the

sector's role as interest groups representing the underprivileged whose voices are otherwise not heard in formal policymaking processes or specific cause-related constituents (such as environmental protection). Rather, LeRoux and Feeney conceive of nonprofits as a bridge between state and civil society, mobilizing citizens for direct participation in democratic governance. In doing so, the authors specifically focus on nonprofit organizations' participation in citizen protests and social movements, their efforts to mobilize citizens via voter education and get-out-the-vote drives, and their initiatives to develop and train civic and political leaders. Similar to the case of advocacy research that has recently flourished in the field of nonprofit management, the relationship between nonprofits and civil society and the role of nonprofits in democracy have long been studied in other disciplines. Built on Tocquevillian perspectives, for example, political scientists promoting civil society and social capital theories (Putnam 1993; Skocpol 1999) have argued that nonprofits and voluntary associations carry out essential functions in democracy by serving as schools of citizenship and providing a public sphere where community members interact and build mutual trust, which serves as the backbone of democratic society. In the social movement organization-related literature (within the field of sociology), nonprofits' roles in citizen protests have been researched extensively for their functions in sustaining and even guiding otherwise unorganized and informal actions by the public (McCarthy and Zald 1977). NGOs and their roles in mobilizing civil protests have also been documented in transnational social movements (Keck and Sikkink 1998). Still, the discussions in LeRoux and Feeney's chapter add unique value, especially to the field of nonprofit management, by highlighting the specific roles nonprofit charity and advocacy organizations fill in the electoral process. The effects of the involvement of service delivering charities on voter mobilization and the summary empirical findings on this subject are particularly interesting to read.

Gleaning from the discussions in chapters two to nine, it is also intriguing to see the global variations in the extent to which nonprofit organizations are entwined with civil society and political processes. The socioeconomic and political history of the region seems to matter greatly in understanding these dynamics. Chapters eight and nine are particularly enlightening from this perspective as the authors of these chapters review the history of their regions (Africa and Latin America, respectively) and tie specifically that historical context to the description of the nonprofit sector. While admitting to painting the pictures with a bit too broad strokes, I came away with the impression that the nonprofit sectors in both continents were deeply affected by colonialism and Christian missionaries and further shaped by socio-economic bifurcation that has continuously taken place in the post-colonial periods. In both regions, advocacy and political involvement seem almost integral parts of the existence and functions of

the nonprofit sector. The discussions in chapter four (regarding Central and Eastern Europe) again highlight the importance of accounting for the geopolitical history of the region in that nonprofits there (especially the Western Balkans) are predominantly involved in advocating for civil rights and democratic participation primarily as a result of donations made by Western institutions who hoped to promote democratization in the area.

While my review largely focuses on the chapters that are somewhat directly or indirectly related to public policy only, it is important to emphasize that *The Routledge Companion* offers plenty of other chapters that broadly address the whole spectrum of nonprofit management issues. For example, chapters 10 to 13, focusing on the overall outlook of an organization, discuss the internal and external factors determining the composition of governing boards (chapter 10), the traits associated with leadership in nonprofits and related research developments (chapter 11), fundamental moral and democratic values underlying the sector beyond the codes of conduct nonprofits adopt (chapter 12), and varying conceptual approaches to strategic management methods (such as the resource-based view versus the stakeholder view) (chapter 13). Choi and Mirabella's discussions regarding nonprofit ethics (chapter 12) are particularly interesting as the authors look deeply into the competing values (head versus heart) that characterize the nonprofit sector. It is interesting to note that as with the concept of "co-production" that has partly arisen from the fallout of market solutions to service delivery (chapter 20), Choi and Mirabella's arguments start by embracing deeply religiously-rooted compassion, as opposed to rationalization and marketization, as one of the guiding values for leading a nonprofit organization. *The Routledge Companion* devotes the next several chapters (i.e., chapters 14 to 21) to various internal management issues, including performance measurement, budgeting, internal controls, information and communication technology, and human resource/volunteer management. I will not discuss any specifics from these chapters in my review. However, interested readers will find synopses of the main theories and summaries of the most recent research developments from the relevant chapters of this book. The subjects of many of these chapters are universally applicable across different regions, but others might be affected by differing policy contexts.

Overall, this book is a good read for students of nonprofit management who are interested in topics that intersect with public policy and an excellent source for international perspectives on those topics. The book also provides comprehensive lists of references for the latest theoretical developments on a variety of nonprofit management topics. To be sure, *The Routledge Companion* is not one of the most relevant resources for nonprofit policy researchers. While those policy-implicated chapters that I review above are highly informative to policy students in nonprofit

management, the book does not devote any specific chapters to explicitly discuss policy implications of nonprofit actions, policy changes and their impacts on the sector, or nonprofits' roles and influence in policymaking processes. It is also not the most useful source for identifying the latest empirical findings on various nonprofit management topics.

With increasing interest in the nonprofit-policy nexus, however, many other resources have been made available in the last decade to nonprofit management scholars and practitioners who are interested in researching policy connections. To name a few, Pekkanen, Smith, and Tsujinaka-edited (2014) *Nonprofits & Advocacy: Engaging Community and Government in an Era of Retrenchment* offers a series of original empirical studies on nonprofit advocacy. The third edition of *Nonprofits and Government: Collaboration and Conflict* edited by Boris and Steuerle (2017) provides the latest updates on policy fronts in taxes, government funding, regulation, and hybrids. The third edition of *The Nonprofit Sector: A Research Handbook* edited by Powell and Bromley, published this year (2020), contains multiple chapters of in-depth discussions regarding policy implications of nonprofit advocacy and its impacts on civil society as well as democracy (both good and bad). It also devotes some space to specifically examine both the global rise of and backlash against nonprofit advocacy.

Institutionally, in addition to the steady creation and expansion of policy think tanks that focus on the nonprofit sector in the past, in 2010, the Association for Research on Nonprofit Organizations and Voluntary Associations (ARNOVA) convened its first gathering of nonprofit communities to broadly discuss public policy impacts on the sector. This year, ARNOVA, partnering with the Independent Sector, held its ninth policy symposium. Various reports coming out from these institutions and events sponsored by them are also good resources that inform nonprofit policy students of the latest policy issues that matter to the sector. Lastly, the journal that publishes this book review, *Nonprofit Policy Forum*, which was founded around the same period as the inception of the ARNOVA Symposium on Public Policy, has served as one of the major publication outlets for nonprofit management scholars who study its intersection with public policy.

I conclude my review with some thoughts on the study of the public policy-nonprofit management interface. In the field of nonprofit management, scholars frequently consider public policy as “given.” In this approach, the interface is portrayed mainly in terms of broad policy contexts to which nonprofits passively react. An increase in nonprofit advocacy research has changed that direction somewhat. However, as chapter 23 neatly summarizes, the focus of the nonprofit advocacy literature still looks inward (e.g., which nonprofits participate in advocacy and to what extent?) rather than exploring the sector's roles in shaping the policy process. Recent advocacy research related to venue shopping, tactics and

strategies, agenda-setting through messaging, or political mobilization is a promising step toward advancing greater integration between public policy and nonprofit management. The awareness and need for nexus building have been noted in other disciplines as well. The *Policy Studies Journal* (2017), volume 45, issue number 1, for example, explicitly called for a cross-disciplinary approach (particularly among public policy, public management, and nonprofit management) to study public policy. Some of the scholarly efforts to build a bridge between the nonprofit management and public policy fields are more targeted on particular aspects of the policy process. In her policy implementation-related research, for example, Shea (2011, 58) unequivocally declares that “[w]hen the implementation tool requires action on the part of a nonprofit intermediary, policy theories that do not include propositions about the role the intermediary plays in contributing to outcomes or community-level impacts are incomplete.” Similarly, in an attempt to link nonprofit management scholarship to the policy implementation literature, Fyall (2017) casts a new light on the role of nonprofit service deliverers/advocates as street-level implementers who are shaping everyday public policy (see Smith and Lipsky’s seminal book, *Nonprofit for Hire*, in 1993 for the implications of nonprofits’ role in this). While *The Routledge Companion to Nonprofit Management* falls well short of directly responding to this call, I can say with confidence that it is certainly a value-added contribution to knowledge development in the field of nonprofit management.

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