

RESEARCH NOTE

Nonprofits in Organizational Sociology's Research Traditions: An Empirical Study

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Neoinstitutional, population ecology, and resource dependence research traditions enjoy enduring popularity in the American organization science and sociological literature. Such research traditions are advanced through empirical studies of organizations—non-profit, public, and for-profit. Noting some nonprofit lineage of the aforementioned traditions, this empirical study seeks to measure the use of sectors' organizations in the advancement of generalized organization theory. To do this, the author develops and explores three research questions about the current uses of the research traditions and organizational samples, by sector, in journals of organization theory. A brief discussion of findings and implications follows.

Organizational research has always been particularly sensitive to issues of external validity—the generalizability of findings. Although much of the research literature raises this issue in reference to extrapolating from laboratory studies to real-world managerial problems (e.g., Becker, Billings, Eveleth, & Gilbert, 1996; Edwards, 1996), nagging doubts may also arise from the extension of results beyond the immediate setting or situation (e.g., Chen, Farh, & MacMillan, 1993; Scott & Bruce, 1994). I am particularly concerned that study findings based on sample organizations in one sector may or may not be applicable to subsequent studies based on sample organizations in other sectors; therefore, care should be taken to use research traditions that are appropriate for particular sectors.

This is an important issue to the extent that organizational sectors are meaningful ways of distinguishing organizational structure. Whether historically intended to structurally differentiate among organizations, I would argue that meaningful sectorization has often occurred as a result of

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differences in the local, state, and federal tax codes; accountability and oversight vehicles; and even professional managerial training. As such, public organizations, accountable ultimately to an electorate and its representatives, are often different from for-profit corporations, accountable to proprietors or a multitude of stockholders, which themselves are often different from nonprofit organizations accountable to (oftentimes) self-perpetuating boards of directors and generalized community stakeholders. Structures that gain ascendancy in one sector may not be adaptable to others, and findings of studies of organizations in one sector may not be generalizable to other organizational sectors. Although I do not tackle the applicability question head on, I try to add empirical clarity by exploring the different organizational samples used to advance popular research traditions. I briefly trace the development of sociology's three popular macro-organization research traditions—population ecology, resource dependence, and neoinstitutionalism—and then empirically assess the extent to which traditions dependent on organizations in one sector (rightly or wrongly) come to be applied to organizations across sectors. I then suggest some implications of this study for nonprofit research.

THE ORIGINS OF RESEARCH TRADITIONS

The origins of three popular sociological organizational research traditions are interesting because of their roots in the organizations of the public and private nonprofit sectors rather than the corporate sector. The introduction of population ecology into the organizational literature is popularly traced to Hannan and Freeman's (1977) article for the *American Journal of Sociology*, which introduces mathematical models to guide our thinking but does not center arguments on empirical (or even anecdotal) evidence. When organizational illustrations are used, they are drawn predominantly from the public and nonprofit sectors.

Failing churches do not become retail stores: nor do firms transform themselves into churches. Even within broad areas of organizational action, such as higher education and labor union activity, there appear to be substantial obstacles to fundamental structural change. Research is needed on this issue. (Hannan & Freeman, 1977, p. 957)

Interestingly, when Hannan and Freeman answered their own call for empirical research, they often did so using populations of U.S. labor unions (e.g., Hannan & Freeman, 1987, 1988). I suggest that population ecology's roots are intertwined with the study of nonprofit organizations.

The beginning of resource dependence theory is a bit more difficult to trace, although it is commonly referenced to Pfeffer and Salancik's (1978) book on the environment's control over organizations (Daft, 1993). Although the book is basically a theoretical treatise, it is peppered throughout with various examples, anecdotes, and reprints of data, plus a few proprietary analyses. These

empirical illustrations run the gamut from the convents and abbeys that flourished in the Middle Ages (and represent the very first illustrative example of the book) to manufacturing plants in contemporary Israel. When the issue of taking control of the environment is examined, Pfeffer and Salancik's (1978) handling of the empirical data is quite illuminating. They suggest problems with previous analyses of corporate boards and instead summarize findings from their own study of hospital (nonprofit and public) boards by way of evidence. They further draw on earlier work of the power-dependence relationship school (Zald, 1967, 1969), which itself is based on studies of nonprofit voluntary organizations such as the Chicago YMCAs. To the extent that the book is coupled with Pfeffer's (1973) earlier work on hospital boards and the resource mobilization literature, resource dependence can also be viewed as developing from within a nonprofit sector-sympathetic realm.

Neoinstitutionalism in its infancy also drew upon data from the nonprofit and public sectors in particular. Indeed, while the Stanford neoinstitutionalists were carrying out large-scale surveys of organizations in the San Francisco school district (leading to such key works as Meyer and Rowan's [1977] extension of the school findings to organizations writ large, as well as Meyer and Scott's [1983] edited book), Yale institutionalists were gaining funding and experience at the Program on Nonprofit Organizations there. That one group used public sector insights and examples to shore up their end of the tradition, whereas the other group used nonprofit sector insights to shore up their end, led directly to a point at which empirical tests on organizations of the private for-profit sector are largely absent in the research tradition's infancy.

This brings us to the question of the use of these research traditions in the for-profit management literature and the study of corporate America. Specifically, I am interested in determining how (and to what extent) those traditions were (mis?)used by the scholars in the field of business management. To explore this, I collected data from two main sources: ABI/Informs Compact Disclosure, to capture the management-focused organizational literature, and SOCIOFILE Compact Disclosure, to capture the sociological-focused organizational literature. The search population included SOCIOFILE abstracts from January 1974 to August 1991 and ABI/Informs abstracts from January 1986 to October 1995. In both cases, searches were performed on the terms *institutional theory*, *resource dependence*, and *population ecology* in the abstracts or titles of articles.

The search yielded a total population of 117 SOCIOFILE abstracts and 114 ABI/Inform abstracts—almost balanced, although SOCIOFILE covered an extra decade of material. Of these 231 abstracts, 100 were removed because they did not attempt to verify or empirically test (by reporting methodology) or use the research traditions in an organizational context. In fact, most of the abstracts that were eliminated invoked institutional theory in arenas other than organizations. After removing unrelated abstracts, the final sample consisted of 66 ABI/Informs abstracts and 65 SOCIOFILE abstracts. There were

Table 1. Sector of Organization Studied

| <i>Sector</i> | <i>Number of Articles (%)</i> |
|---------------|-------------------------------|
| Public | 8 (6.1) |
| Nonprofit | 48 (36.6) |
| For-profit | 43 (32.8) |
| Combination | 29 (22.1) |
| Cannot tell | 3 (2.3) |

58 abstracts (44.3%) that mentioned resource dependence, 38 (29%) mentioned institutionalism (in an organization context), and 35 (26.7%) dealt with population ecology. Data were collected on the journal in which the theory cite appeared, and the date that it appeared. Data were also collected on the sample/test size used for the study, the sector and industry of organization under study, and the country in which the original data collection took place.

In the next part of this article, I will use the data to answer the following research questions:

Research Question 1: To what extent are nonprofit and public organizational data used to evidence institutional, resource dependence, and population ecology research traditions in the management and sociological literatures?

Research Question 2: To what extent are for-profit organizational data used to evidence institutional, resource dependence, and population ecology research traditions?

Research Question 3: To what kinds of empirical tests have these research traditions been subject in the organizational literature in sociology and management?

DESCRIPTIVE FINDINGS

Organizations empirically studied across journal titles came from the sectors that are depicted in Table 1.

Although public sector organizations were actually less studied than would have been expected given the origin of the research traditions, the studies across sectoral organizations (including the public sector) were particularly high. Considering that the databases tapped were not specifically nonprofit organization databases, the number of nonprofit organization studies (the modal type) speaks to the predominance of these organizations in the thinking (and access) of management and organizational sociologist academics. Less than one third of the empirical evidence on these three research traditions comes from studies of the for-profit sector alone. A breakdown of industries/organizational groupings represented in studies is included in Table 2.

Table 2. Industries/Organizational Groupings Represented in Studies

| <i>Industry/Organizational Grouping</i> | <i>Number of Articles (%)</i> |
|---|-------------------------------|
| Government | 6 (4.6) |
| Human services | 12 (9.2) |
| Health | 15 (11.5) |
| Education | 5 (3.8) |
| Accounting | 6 (4.6) |
| Other services | 7 (5.3) |
| Church | 2 (1.5) |
| Cooperatives | 8 (6.1) |
| Unions | 8 (6.1) |
| Retail | 1 (0.8) |
| Manufacturing | 9 (6.9) |
| MANY | 42 (32.1) |
| Not otherwise listed | 10 (7.6) |

Note: MANY = studies that spanned listed industries/organizational groupings. Industry classifications and organizational groupings are based on abstract's reportage.

A similar pattern ensues when the studies are broken down by industry/organizational groupings studied. Whereas the modal focus of study encompassed more than one industry (MANY in Table 2), health and human services organizations top out the rest of this list. This should not be surprising, considering that nonprofit organizations (the host sector to many human service and healthcare organizations—especially in the past) are the most studied (see Table 1). Manufacturing and retail industry studies account for less than 8% of the studies. It is interesting to note that unions and cooperatives are practically as attractive for study as manufacturing concerns.

The news is that most researchers in sociology and business have been using research traditions developed with a sympathy to the nonprofit and public sectors to study these same organizations. Research Question 1 can be answered as such: Institutional, resource dependence, and population ecology research traditions are most often (two thirds of the time) used to study organizations of the nonprofit and public sectors or some combination of both. However, almost one third of these scholars are importing these research traditions into the for-profit realm. These data provide the answer to Research Question 2—only one third of studies using these research traditions explore organizations in the for-profit sector solely.

The above data represent the aggregate studies of the different research traditions. Perhaps one of the three traditions is more likely than the others to engender empirical studies that stray from its origins. To test this, a chi-square test was run on the association between research tradition and sector of organization used to test the tradition.

The chi-square association was not significant ($p = .174$). However, institutional studies accounted for a full 62.5% of the public sector studies and resource dependence accounted for almost 42% of both nonprofit and for-

Table 3. Percentage of Empirical Tests of Theories Using Particular Industry/Organizational Grouping Sample

| <i>Industry of Sample</i> | <i>Institutional Tests</i> | <i>Population Ecology Tests</i> | <i>Resource Dependence Tests</i> |
|---------------------------|----------------------------|---------------------------------|----------------------------------|
| Government | 10.53 | 2.86 | 1.72 |
| Human services | 5.26 | 8.57 | 12.07 |
| Health | 7.89 | 14.29 | 12.09 |
| Education | 0 | 2.86 | 6.90 |
| Churches | 5.25 | 0 | 0 |
| Accounting | 15.79 | 0 | 0 |
| Unions | 0 | 11.43 | 6.90 |
| Cooperatives | 5.26 | 8.57 | 5.17 |
| Other services | 7.89 | 2.86 | 5.17 |
| Manufacturing | 2.63 | 8.57 | 8.62 |
| Retail | 2.63 | 0 | 0 |
| MANY | 31.58 | 20.00 | 39.66 |
| Other | 5.26 | 20.00 | 1.72 |

Note: MANY = studies that spanned listed industries/organizational groupings.

profit studies. Still, it appears that all three traditions are being studied using mainly nonprofit and for-profit organizations.

A more detailed test of the association between the use of particular research traditions and the industry/organizational grouping of the sample organizations proved to be significant ($p = .001$), although the validity of chi-square for testing the association of the many valued variables is suspect due to expected values of less than 5% in a few cells. In this case, the absolute numbers and their breakout into categories are interesting in and of themselves, if only suggestive.

Table 3 demonstrates that some industries are used repeatedly to test only one or two of three research traditions, whereas other industries (such as human services and hospitals, where nonprofits and public sector organizations are dominant) are used to test all three. Accounting samples, retail samples, and church samples are used only to test institutionalism, although no education samples and no union samples are used to test this tradition. Union samples and health organization samples are particularly popular with population ecologists; health and human services organization samples are particularly popular with resource dependence scholars. Samples running across many industries are by far the most popular in all research streams, although they are most popular with resource dependence studies.

A chi-square test was also run to see whether sociologists were more likely than their management counterparts to use any of these particular theories. Again, the chi-square suggested no significant difference ($p = .215$).

Because the data came from two databases—one management oriented and the other sociologically oriented—it is possible that empirically studied samples or organizations might be skewed, depending on which database

they come from. A chi-square test of association was run between the sector of the sample studied and the database where the article was found.

A significant chi-square ($p < .019$) suggests that studies using public sector and nonprofit organizational samples are more likely to appear in SOCIOFILE listings, whereas studies using samples of for-profit organizations are more likely to appear in ABI/Inform listings. I also tested to see whether studies of U.S. organizations were more likely to be framed by one theory than another, and the chi-square (.054) test of that association demonstrates that tests of resource dependence were much more likely to come from U.S. data than tests of the other two research traditions. This might hint at the relative popularity of institutionalism and population ecology abroad.

The last set of analyses was run on the associations of research traditions and sector under study with the kind of study undertaken. Specifically, I was interested to know whether any of the three research traditions were more likely to be tested with large-scale sample surveys rather than smaller case studies. I might have assumed that the population-level traditions (institutional and population ecology) would be most amenable to tests with large samples, whereas resource dependence would be more amenable to smaller scale studies. To run a chi-square test, sample size was broken down into (a) no reported sample size in abstract, (b) sample size under 10 organizations, and (c) sample size over 10 organizations. The chi-square test of association between sample size and research tradition was significant at the $p < .000$ level. A clear and significant pattern emerges that helps to answer Research Question 3. Population ecologists tend not to report their sample sizes in abstracts, studying industries rather than populations of organizations. When they do report *Ns*, they tend to be quite large. This is the reverse for neoinstitutionalism. When institutionalists report their sample sizes, they alert their public to the case-study nature of their endeavors. Indeed, a number of the institutionalists' empirical studies were based on one organization. Empirical tests of resource dependence tend to either use large samples (whole industries) or not report their sample size.

DISCUSSION AND IMPLICATIONS

The previous analyses have helped to answer the three research questions that were posed in the empirical section of the article. I learned that most sociologists and management theorists do indeed use institutional, resource dependence, and population ecology research traditions to study organizations in the public and especially the private nonprofit sector. Not surprisingly, scholars writing in more management-oriented journals rather than sociology-oriented journals are more apt to use these research traditions to study management issues in the for-profit sector. Empiricists working in the resource dependence tradition are more likely to employ large sample studies to test and explore theories; institutionalists are more likely to find support for

their hypotheses using the case study method, and population ecologists are much more likely not to report sample sizes in abstracts. Whether the difference in dominant methodology used to test distinct research traditions is a result of tradition assumptions or of scholarly isomorphism is an open question. That certain sampling frames are becoming associated with particular research traditions is, however, evident from the data.

Further research along these lines might expand the study field beyond sociology's contribution to organization theory and look to empirical confirmations of the economists' transaction costs theories and the management scientists' contingency theories. Longitudinal research might also analyze the temporal dimension to determine whether the popularity of sectors studied has changed over time.

Given the modest sampling technique employed, we have learned about the trends guiding the use of some sociological research traditions and sectoral organizations in the scholarly literature. As nonprofit scholars, we can point to a substantial history of study of the organizations of our domain and can attempt to more extensively employ the sociological research traditions reviewed above with slightly less concern about the traditions' appropriateness for our organizations. We are in good company using case studies within the institutional tradition and larger samples using resource dependence and, especially, population ecology.

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