A Strategic Engagement Framework for Nonprofits

Lee A. Swanson

University of Saskatchewan

Quantitative and qualitative analysis of research data collected over three years at a nonprofit public higher education institution and its community, along with a review of relevant literature, revealed the need for a new framework to guide economic and social value creation by utilizing the social capital held by nonprofit institutions. The study integrated research outcomes from the areas of social capital and institutional–stakeholder engagement to generate the new concept of strategic engagement management and a proposed Strategic Engagement Framework. This framework should help nonprofit organizations deploy their social capital for institutional and societal benefit by facilitating institutional–stakeholder collaboration. The study also tested the utility of implementing one component of the proposed framework: a structure for mapping, maintaining, and evaluating a portfolio of institutional engagement activities.

Keywords: *nonprofit sector, social capital, nonprofit leadership, nonprofit management*

L IKE THEIR FOR-PROFIT COUNTERPARTS, many nonprofit organizations routinely manage their financial, human, and physical capital. They develop and actively manage financial statements and budgets, recruitment methods and human resource plans, equipment maintenance schedules, and capital purchase plans. They rarely, however, quantify, value, and manage strategic plans designed to leverage their social capital.

According to Schultz and Hatch (2005), "Managers need simple integrated frameworks that enable them to link internal and external stakeholders and related business functions" (p. 339). In a nonprofit higher education context, Ostrander's (2004) research indicated a

Correspondence to: Lee Swanson, University of Saskatchewan, Edwards School of Business, 25 Campus Drive, Saskatoon, Saskatchewan S7N 5A7, Canada. E-mail: swanson@edwards.usask.ca

need for "a dynamic and developmental framework for university civic engagement that acknowledges multiplicity and flow rather than one codified in models and best practices" (p. 88). The empirically based study described in this article helps fills this gap by developing a theory for strategically managing social capital for institutional benefit. The outcomes include a developing concept of *strategic engagement management* and a Strategic Engagement Framework for nonprofits.

This article includes a review of the literature about social capital and engagement. It then presents quantitative and qualitative results from a study of engagement between a nonprofit public higher education institution and its stakeholders. The diverse nature of such an institution should make the results from this study widely applicable to both public- and private-sector nonprofits.

The distinguishing feature of this study is that it focused on the organization's social capital as represented by its portfolio of engagement activities. This is in contrast to the usual focus on networks of interpersonal relationships to represent social capital. This article then presents the proposition that to strategically manage social capital to create value, nonprofit institutions should map their portfolio of engagement activities and apply the Strategic Engagement Framework shown.

The new Strategic Engagement Framework should help many nonprofit organizations strategically manage their social capital for institutional benefit. Implementation of the framework may generate higher levels of stakeholder engagement, leading to improved client service, better operational performance, staff recruitment and retention advantages, better political advocacy outcomes, more support from benefactors, enhanced reputation and profile advantages, and other desirable outcomes.

Background

This section reviews the extant research on social capital and institutional-stakeholder engagement relative to this study and to the resulting concept of strategic engagement management and the Strategic Engagement Framework that is introduced later in this article.

Social Capital and Engagement

The concept of social capital evolved from the works of Bourdieu, Durkheim, Weber, Coleman, Lin, Putnam, and others (Bourdieu, 2001; Burchardt, 2003; Castiglione, Van Deth, and Wolleb, 2008; Coleman, 1988; Ihlen, 2005; Jackman, 2001; Lenzer, 2007; Lin, 1999, 2000; Lin and Erickson, 2008; Lin and Fu, 2003; Putnam, 2000). Theories emerged in the late 1970s and early 1980s that describe social capital as the trust-based relationships derived from social networks that can give rise to useful resources.

Saxton and Benson (2005) found that higher levels of social capital are one factor that can contribute to nonprofit startups, and King (2004) contributed the following regarding social capital and nonprofits: "The origins and operations of nonprofit organizations are aligned with the core dimensions of social capital: networks, relationships and trust, and shared vision and norms. Nonprofit voluntary associations deal with numerous internal and external networks. Through these networks they develop relationships and build trust. The driving force behind nonprofit organizations is a shared vision and common mission. Without these core components of social capital, nonprofits cannot be effective in achieving their missions" (p. 483).

While beyond the scope of this article, other research has contributed toward the body of knowledge on social capital. Network theory, for example, has helped us understand how "the networks that convey social capital" (Owen-Smith and Powell, 2008, p. 604) can help organizations improve their innovative capacities (Powell and Grodal, 2005; Powell, Koput, and Smith-Doerr, 1996).

For this study, engagement was considered to be a means by which social networks are established between institutions and their stakeholders. When these social networks give rise to resources, they generate social capital. This relationship is supported by research linking positive stakeholder beliefs about institutions with more productive levels of engagement with them (Kim, Brunner, and Fitch-Hauser, 2005, 2006). The research upon which this study is based also illustrates that social networks generate social capital. The map of engagement activities described later in the article contains examples of how the nonprofit higher education institution studied built social networks that generated social capital, or trust-based relationships giving rise to useful resources. One of these examples is of community members engaged with the institution choosing to independently lobby government officials in their networks to support institutional initiatives to start new programs.

For this study, engagement was considered to be a means by which social networks are established between institutions and their stakeholders.

Engaged Institutions

Rossteutscher (2008) stated that "no democracy can survive without citizen participation and civic engagement, at least at some minimum level" (p. 210). Civic engagement can happen at two levels: when individuals participate in society as members of associations, and at an aggregate level when civic engagement is an embedded trait of entire communities or societies (Burns, Schlozman, and Verba, 2001; Putnam, 2000; Rossteutscher, 2008). This study focused on engagement between individual stakeholders and institutions, particularly higher education institutions.

In response to an inadequate body of research on what defined an engaged institution, some researchers studied higher education institutions to determine what constitutes engagement (Holland, 2001; Kellogg Commission on the Future of State and Land-Grant

Universities, 1999). They commonly concluded that engaged institutions incorporate engagement in institutional missions, strategic plans, and goals. Engaged institutions become involved with their communities in meaningful ways and demonstrate commitment to engagement as a core value. Their policies, infrastructure, and leadership explicitly support engagement (Holland, 2001). These elements formed the basis for the criterion used in this study to determine whether the organization studied should be considered an engaged institution.

It is important to clarify that while university engagement is generally viewed as a way to "link the work of the academy with public action and societal priorities" (Holland, 2001, p. 1), this study specifically focused on how engagement benefits the higher education institutions, rather than on its impacts on other stakeholders or on society in general. In particular, this work dealt with engagement as a way to raise resources for universities.

Social Capital in Organizations

This study considered social capital as it might contribute toward value creation through nonprofits. Svendsen, Boutilier, and Wheeler (2003) took a similar, although more corporate-based, perspective and described the relationship: "We found that the conceptual distinctions between what social capital is (goodwill embedded in social relationships), its source (relationships characterized by high levels of trust, mutual understanding and strong communication ties) and its manifestations (action taken to share information, exert influence and maintain solidarity within the social unit) helps us understand the role of social capital in the creation of value for corporations" (Svendsen and others, 2003, pp. 13–14).

Major criticisms plaguing the study of social capital are related to its scope and ambiguity. Lin and Fu (2003) reflected on the increasingly diverse and multidimensional applications of the term *social capital*, and lamented that it might "become a handy catch-all, for-all, and cure-all sociological term" (p. 3). Several researchers echoed this concern while bemoaning the fact that social capital is difficult to define, thus resulting in many different definitions (Hazleton and Kennan, 2000; Lenzer, 2007; Maak, 2007; Manzo and Perkins, 2006; Schneider, 2007).

Two general research streams on social capital have emerged, one focusing on "how individuals access and mobilize resources embedded in social networks to attain personal goals . . . [and another focusing] on the utility of social capital for collective actors—how participation in groups and associations enhances collective goals" (Son and Lin, 2008, p. 330). This study focused on social capital as it might help attain organizational level goals, a level suited to Lin's description of social capital (Ihlen, 2005) as social networks that embed resources that can be "accessed and/or mobilized in purposive actions" (Lin and Fu, 2003, p. 3).

In support of his reference to accessing and mobilizing resources for purposive actions, Lin claimed, "the success of action is positively associated with social capital" (Ihlen, 2005, p. 495). This perspective enables connections to be established between the institutional engagement activities and the outcomes they generate. Based on observed inequalities between social groups in terms of the levels of social capital attained and the benefits members derive from it, Lin (2000) declared that a "cohesive and systematic approach to understanding and appreciating the positive and negative effects of social capital is needed" (p. 786). The implication is that individuals should purposefully and strategically plan with whom they should establish connections. This observation might also apply to leaders interested in leveraging social capital to achieve institutional goals.

Lin and Fu (2003) considered expressive and instrumental motives for action. Expressive actions taken by members of a group are designed to improve solidarity and to preserve and maintain resources. An expressive purpose for social capital might be to restore a property that had suffered environmental damage to its previous state. The higher education institution upon which this study was based had science programs specializing in environmental reclamation. It became part of a network that included a city and a group of organizations wishing to restore a property damaged by an industrial plant. The institution pooled its expertise with resources contributed by others in the network to complete this work. Dense, or closed, social networks enhance trust, reciprocity, and civic engagement and induce better expressive outcomes.

The instrumental motive for action involves searching for and obtaining new resources. An instrumental purpose for social capital might be to build a new performing arts theater in a community. To achieve this purpose in the community in which this study occurred, a wide network of individuals and organizations drew expertise and resources from many different sources, and ultimately a new theater was built on the institution's campus. Expansive, or open, social networks are considered to be more useful for generating new resources (Lin and Fu, 2003).

Outcomes for organizations from their instrumental actions are economic, political, or social in nature and could include "increased earnings or reduced costs, favourable political decisions, representation in public committees, or an enhanced reputation" (Ihlen, 2005, p. 495). These categorizations of the outcomes from social capital might be useful for institutions wishing to identify the resources embedded in their social networks and assess the value derived from them. A model developed by Manzo and Perkins (2006) might be useful in this regard.

"The success of action is positively associated with social capital."

Social Capital Domains and Levels of Analysis

Manzo and Perkins (2006) developed a comprehensive categorization framework within which stakeholder engagement practices or outcomes could be examined from each of the social, economic,

physical, and political domains. Within each of these domains, the engagement practices or outcomes could be considered at various analysis levels ranging from individual to societal. This was intended to provide community planners with a better understanding of their regions as they implemented participatory planning processes to increase social capital as a community asset.

Engagement Between Individuals and Institutions

With its focus on organized citizen participation and community development planning, the Manzo and Perkins (2006) model treats social capital as a community asset rather than simply as a product of individual connectivity. This is consistent with Schuller (2008), who said that "social capital is sometimes treated as an individual asset, and is certainly easier to analyse if treated as such, but is most powerfully applied to the relationships that exist within and between social networks, and not as an individual attribute" (p. 18). This indicates that an adaptation of the Manzo and Perkins (2006) model might help provide insight into social capital creation through engagement activities between individuals and institutions. To accommodate strategic management of social capital by an organization, however, a revised model may require that distinctions be made between different types of engagement activities.

Social Capital Through Institutional–Stakeholder Engagement

Research conducted by Austin (2003) indicated that a growing number of companies had integrated stakeholder engagement activities into operating strategies as a way to improve business outcomes. He identified three stages of collaboration, starting with philanthropic involvement, which indicates a relationship between a benefactor and a supplicant. Charitable giving falls into this category. The transactional stage suggests more of a two-way exchange of value, including swapping money for services or volunteer time for social gain. The integrative stage signifies a strategic collaboration between the parties.

Austin (2003) claimed organizations in general have begun implementing proportionately more integrative engagement activities as they have "become more concerned about the social returns of their philanthropic relationships" and their focus has shifted "from being charitable donors to strategic social investors" (p. 50). Part of the reason for this might be because nonprofit organizations are seeking longer-term relationships with businesses as a new way to effectively compete for scarce resources. Businesses also see value in collaborating with nonprofits needing their help, especially when these charitable organizations have competencies, brand identities, and assets offering reciprocal benefit.

Mapping Institutional–Stakeholder Engagement Activities

Some researchers have suggested that organizations map their social networks (Austin, 2003; Maak, 2007). Maak (2007) conceded that a mapping exercise may be a daunting and complex task, but it might be worth the effort in terms of the advantages it could create for an institution. An analysis based on such an inventory could help organizations establish strategic plans to further leverage the social capital they have and determine what they yet require so they can mobilize their stakeholder engagement to help achieve their goals.

A synthesis of the environmental domains and analysis levels for social capital proposed by Manzo and Perkins (2006) and the stages of collaboration described by Austin (2003) might provide a new and powerful lens through which to map and then assess the value of an institution's portfolio of stakeholder engagement activities. Table 1 shows how this portfolio of engagement activities can be organized. The activities listed in the body of the template can be considered to manifest an institution's stock of social capital. This is the model that was used as part of this study.

Data and Research Methods

This study examined one public higher education institution nearing its hundredth anniversary and serving fewer than 10,000 full- and part-time students annually. The institution is located in western Canada and serves a regional population of approximately 41,000 people living within 25 kilometers (15.5 miles) of at least one of its two campuses (Statistics Canada, 2006). The purpose was to test the prospect of constructing a portfolio of engagement activities as one part of a Strategic Engagement Framework.

The research employed a sequential mixed-methods design. Quantitative data were collected through a telephone survey of 380 randomly selected community members and subjected to statistical and interpretive analysis. The data included respondent perceptions about the economic and social value generated by the institution studied along with their assessments of the types and degrees of their engagement with the organization. The Pearson chi-square (χ^2) test was applied to detect potential relationships between respondent perceptions of value generated and their degree of engagement. The relationship between the variables was considered to be statistically significant when $p \leq 0.05$. The degrees of freedom (*df*) indicated the relative numbers of rows and columns in tables, called contingency tables or cross-tabs, used to compare the variables. The Cramer's *V* statistic was used to measure the strength of detected associations between variables. Cramer's *V* values closer to 0.0 indicated no correlation existed and values closer to 1.0 indicated a strong relationship between the variables. Values between

Table 1. Template for Portfolio of Stakeholder Engagement Activities

Level of Analysis	Stages of Collaboration	Environmental Domains			
		Physical	Economic	Political	Social
Individual analysis	Philanthropic (P)	Engagement activities	Engagement activities	Engagement activities	Engagement activities
	Transactional (T)				
	Integrative (I)				
	P, T				
	P, I				
	T, I				
	P, T, I				
Organizational analysis	Philanthropic (P)				
	Transactional (T)				
	Integrative (I)				
	P, T				
	P, I				
	T, I				
	P, T, I				
Societal analysis	Philanthropic (P)				
	Transactional (T)				
	Integrative (I)				
	P, T				
	P, I				
	T, I				
	P, T, I				

Source: Adapted from Manzo and Perkins, 2006, p. 345. Used by permission.

0.10 and 0.30 were assumed to signify a moderately strong relationship, and measures higher than 0.30 indicated a strong correlation (George and Mallery, 2007; Norusis, 2002).

Results from the analysis of the quantitative data influenced the next stage of inquiry. I conducted twelve interviews with selected community leaders to collect qualitative data designed to enrich and supplement the knowledge gained from the survey results. Applying comparative analysis, theme identification, and interpretative analysis methods, I analyzed the responses provided through the interviews. Interviewees were also asked whether they would engage differently with the institution if their beliefs changed regarding the economic and social value contributed by the organization.

A third set of data came from participant observations spanning approximately three years. This involved myself, while concurrently holding senior manager positions with the organization as a dean and

a campus manager, observing, participating in, and recording events within the institution that involved engagement with stakeholders. Data collected from participant observations were supported by meeting minutes and notes, planning documents, promotional materials, presentation handouts, videos, electronic media presentations, and other formal and informal documentation. They were also corroborated by information from open forum discussions, personal communications, celebration events, media broadcasts, and other interactions between the institution and its community.

I used the participant observations supplemented with verbatim responses to survey questions and interviews to create a portfolio of the institution's engagement activities with its stakeholders. I applied the model developed for this study, as shown in Table 1, to construct the portfolio.

Lin and Fu (2003) described social networks as containing embedded resources that can be "accessed and/or mobilized in purposive actions" (p. 3). This perspective provided the basis for determining what constituted an engagement activity. Activities involving direct involvement between the institution's employees or students and individuals from outside the organization were considered to be engagement activities if a purposive action was clear. These purposive actions included generating learning outcomes, improving programs, asking for or receiving donations, transacting business, producing or enjoying entertainment, recruiting students, volunteering, and extending social networks. In cases where there were multiple incarnations of a similar engagement activity so different units within the institution would achieve outcomes customized to their needs, these activities were recorded in aggregate. For example, this institution maintained more than fifty individual program advisory committees, but these were recorded in the portfolio of engagement activities as one engagement activity because, although each served the needs of the individual programs it served, their collective purpose was to continually monitor and improve the institution's programs.

I first classified each engagement activity as fitting within the physical, economic, political, or social domain, then subcategorized these activities by the level of analysis appropriate to each one: individual, organizational, or societal. Given the public mandate of the higher education institution studied, there was no distinction made among institutional–stakeholder engagement activities that primarily benefited the institution from those that mainly advantaged stakeholders. For the third level of categorization, I identified the stage, or stages, of collaboration each activity represented; philanthropic, transactional, or integrative. Finally, assuming the core business for the institution studied was defined as the activities associated with delivering both publicly funded and fee-based educational services, I identified each engagement item as being core or not core. Table 2 shows examples of how selected engagement activities were categorized.

Table 2. Examples of Institutional–Stakeholder Engagement Activities

	Stages of Collaboration	Environmental Domains
		Physical Environmental Domain
Individual analysis	Philanthropic	The institution establishes relationships with individuals that lead to donations to preserve, build, and improve the institution's facilities. (core)
Organizational analysis	Transactional and integrative	Institutional relationships with groups and individuals lead to facility rentals for meetings, performances, presentations, conferences, retreats, and other purposes. (core)
Societal analysis	Integrative	The institution's relationship with its community enables the community to hold events in the institution's theaters, gymnasiums, classrooms, parking lots, and cafeterias while similar-sized communities are unable to hold similar types of events. (not core)
		Economic Environmental Domain
Individual analysis	Integrative	The institution employs people and delivers educational services, making individuals it has engaged with more employable at higher salaries. (core)
Organizational analysis	Philanthropic and transactional and integrative	The institution offers preferred rental rates and advantageous usage agreements for its recreational facilities to schools and community organizations it has relationships with. (not core)
Societal analysis	Integrative	The institution maintains relationships with its community to ensure it delivers academic programs that address regional needs which, in turn, attract and retain, and train and educate workers to promote economic growth and sustainability. (core)
	Integrative	Through its network, the institution attracts individuals to the region, thereby increasing the tax base for its local governments. (core)
		Political Environmental Domain
Individual analysis	Integrative	Individuals who are part of the institution's network independently lobby government officials in support of institutional initiatives to gain the support necessary to start new academic programs. (core)
Organizational analysis	Transactional and integrative	Organizations or groups associated with the institution scrutinize the decisions its leaders make and sometimes compel these leaders to reconsider or change these decisions. (core)
Societal analysis	Integrative	As a result of input from its network, the institution responds to political issues such as labor shortages or needed support for immigrants by developing and offering new programs. (core)
		Social Environmental Domain
Individual analysis	Transactional and integrative	The institution provides educational programs that facilitate community building by preparing individuals associated with it to be engaged citizens. (core)
	Integrative and philanthropic	Student athletes contribute toward literacy by engaging with elementary school students through a reading program. (not core)
Organizational analysis	Philanthropic and transactional and integrative	Businesses and professional organizations associated with the institution assist it in delivering relevant educational programs by providing expertise through program advisory committees. (core)
	Philanthropic	Student and employee groups support charitable organizations. (not core)
Societal analysis	Transactional and integrative	Education and training provided by the institution fulfill societal needs. (core)
	Integrative	The institution's employees contribute expertise to boards, service clubs, local newscasts, and other events and organizations contributing toward community betterment. (core)

Another purpose for the participant observations was to determine whether the institution studied had one or more formal strategic approaches to managing its social capital. To make this determination, I compared this institution's approaches with the characteristics of organizations in the same sector considered by researchers to be engaged institutions. This comparison is shown in the following section.

Results

The results outlined in this section were derived from an analysis of the data collected through a telephone survey, follow-up interviews designed to enrich and add to the survey results, and participant observations occurring over a three-year period.

Institutional Engagement

Table 3 compares the nature of engagement at the institution studied with the characteristics of engaged higher education institutions (Holland, 2001; Kellogg Commission, 1999). Operational goals, policies, and leadership practices supported meaningful engagement with the community at that level. At the enterprise level, the organization's leaders recognized the importance of engaging with stakeholders and were in the process of formally adopting a strategic goal of engaging with the community. If the institution continues down this path and officially recognizes engagement as a core value and explicitly incorporates it in its mission, it should meet the criteria defining a fully engaged institution as identified by Holland (2001) and the Kellogg Commission (1999).

A Comprehensive Institutional Engagement Strategy

Data from the participant observations supplemented with data from the survey responses and interviews unveiled both enterprise-level and department- or project-level goals and strategies involving engagement with individuals from outside the institution studied. While each individual engagement activity had a purpose, these endeavors had not yet been integrated into an overriding institutional strategy and were mainly independent from one another. If this institution were to implement a system to compile and evaluate its portfolio of engagement activities, it could assess the degree to which it was involved with its stakeholders and develop a more comprehensive strategy against which to gauge the value generated by its stock of social capital. The results related to the nature of the engagement exhibited by the institution studied provided some of the basis for the Strategic Engagement Framework described later in the article, including its comprehensive engagement strategy element.

<p align="center">Table 3. Characteristics of an Engaged Higher Education Institution</p>

Characteristics of Engaged Higher Education Institutions[a]	Higher Education Institution Studied
Engagement is incorporated in the institutional mission.	Engagement was not explicitly incorporated in the institution's mission, which was "to inspire our learners to realize their individual potential."
The institution demonstrates a commitment to engagement as a core value.	The institution's core values were listed as "respect, safety, trust, pride, ethics, quality, and accountability." While engagement was not a distinct core value, some elements of engagement were incorporated in the more detailed descriptions of the values listed.
Engagement is incorporated in the strategic plans.	A new strategic plan that the institution's board of governors was expected to approve included "engaging our community" as one of six goals. Prior to this, engagement had not been explicitly listed as a major goal in the strategic plans.
Engagement is incorporated in the goals.	Elements of engagement were included within operating goals. One set of goals, for example, established targets for institutional fundraising by engaging with potential donors.
The institution is involved in meaningful ways in its communities.	The portfolio of engagement activities constructed for this research project (see Table 2) included many examples of meaningful engagement in the institution's communities.
Institutional policies support engagement.	Some institutional policies supported engagement. One example was an academic policy calling for advisory committees to be established to support program renewal and development.
Institutional infrastructure supports engagement.	The institution regularly welcomed community members onto its campuses for both its own events and as a hosting sponsor for events such as the provincial summer games.
Institutional leadership explicitly supports engagement.	The institution's leaders regularly demonstrated their support for community engagement by helping arrange and participating in events such as Chamber of Commerce mixers hosted on their campuses.

[a]*Source:* Holland, 2001; Kellogg Commission on the Future of State and Land-Grant Universities, 1999.

A Portfolio of Engagement Activities

Data from the participant observations, enhanced with verbatim response data from the survey and responses from the interviews, were used to construct a portfolio of engagement activities representing the involvement the institution studied had with its stakeholders. Table 4 summarizes this portfolio by indicating how many activities fit within each combination of domain, level of analysis, and stage of collaboration. A total of sixty-seven engagement activities were identified and classified. Eleven fit within the physical domain, nineteen in the economic domain, eight in the political domain, and twenty-nine in the social domain. Of the sixty-seven activities, twenty-six were mainly relevant at an individual level, twenty-one at an organizational level, and twenty at a societal level.

Table 4. Summary of Portfolio of Stakeholder Engagement Activities

Levels of Analysis	Stages of Collaboration	Environmental Domains				
		Physical	Economic	Political	Social	Total
Individual analysis	Philanthropic (P)	1	1	0	0	2
	Transactional (T)	0	0	1	3	4
	Integrative (I)	1	4	0	0	6
	P, T	0	0	0	2	2
	P, I	0	0	0	2	1
	T, I	1	1	1	7	10
	P, T, I	0	0	0	1	1
Organizational analysis	Philanthropic (P)	0	0	0	1	1
	Transactional (T)	0	2	1	1	4
	Integrative (I)	0	4	1	2	7
	P, T	0	1	0	1	2
	P, I	1	0	0	0	1
	T, I	1	1	1	1	4
	P, T, I	0	1	0	1	2
Societal analysis	Philanthropic (P)	1	0	0	0	1
	Transactional (T)	0	0	0	0	0
	Integrative (I)	4	3	3	4	14
	P, T	0	1	0	1	2
	P, I	0	0	0	0	0
	T, I	1	0	0	1	2
	P, T, I	0	0	0	1	1
Total number of engagement activities (core activities)		11 (6)	19 (16)	8 (8)	29 (15)	67 (45)
Number of activities at each stage of collaboration	Philanthropic (P)	3	4	0	10	17
	Transactional (T)	3	7	4	20	34
	Integrative (I)	9	14	6	20	49

Some of the sixty-seven classified engagement activities fit within more than one of the stages of collaboration. Alumni involvement with the institution, for example, was recorded as an engagement activity that could be philanthropic in nature when an alumnus made a donation or transactional when an alumnus or alumna purchased a product from the institution's bookstore or bought a ticket to a sporting event at its athletic facilities. With some activities counted two or three times, seventeen activities qualified as philanthropic, thirty-four as transactional, and forty-nine as integrative.

When the core business for the institution studied was defined as the activities associated with delivering publicly funded and fee-based educational services, forty-five of the sixty-seven identified engagement activities were derivatives from its core business. See Table 2 for examples of these. These activities would have arguably occurred with or without an institutional engagement strategy. Each of the eight activities in the political domain and sixteen of the nineteen economic activities derived from the institution's core business. In the physical and social domains just over half—six of eleven and fifteen of twenty-nine, respectively—resulted from the core business. The remaining twenty-two activities were largely discretionary; some, however, like the institution's involvement in community initiatives, might be necessary for the organization to be considered a good corporate citizen. Others, like the reading program for elementary school students instituted and managed by the institution's elite student athletes, were truly discretionary and served individual or group level philanthropic, learning, or other purposes.

Insights on Engagement

Based on data collected through the comprehensive survey, I tested six variables to determine whether stakeholders believed the institution studied generated value for their community. A statistically significant proportion of community stakeholders believed the organization contributed economic and social benefits for the community, and those more familiar with the institution held stronger beliefs in this regard. To a statistically significant degree those who had interacted with the institution believed its existence made their community wealthier ($\chi^2 = 10.970$, $df = 1$, $p = 0.001$, $V = 0.170$), improved productivity in the region ($\chi^2 = 21.540$, $df = 1$, $p < 0.001$, $V = 0.238$), strengthened the cultural life ($\chi^2 = 9.746$, $df = 1$, $p = 0.002$, $V = 0.160$), improved overall health ($\chi^2 = 15.229$, $df = 1$, $p < 0.001$, $V = 0.200$), made the community safer ($\chi^2 = 18.137$, $df = 1$, $p < 0.001$, $V = 0.218$), and provided opportunities for community members to improve their lifestyles ($\chi^2 = 20.160$, $df = 1$, $p < 0.001$, $V = 0.230$).

When survey respondents and interview informants believed the institution contributed economic and social value to their community, they were more likely to interact with it in ways benefiting the organization. Of the respondents who believed the institution created wealth (80.5 percent of total respondents), 64 percent indicated they had encouraged or attempted to influence others to either attend or interact with it. This relationship among these variables was statistically significant ($\chi^2 = 5.339$, $df = 1$, $p = 0.021$, $V = 0.199$). Similar statistically significant relationships existed between those who had attempted to influence others to attend or interact with the institution and those who believed it improved productivity ($\chi^2 = 5.725$, $df = 1$, $p = 0.017$, $V = 0.123$), strengthened the cultural

life ($\chi^2 = 6.942$, $df = 1$, $p = 0.0081$, $V = 0.135$), and improved over-all health ($\chi^2 = 5.020$, $df = 1$, $p = 0.025$, $V = 0.115$). The statistical analyses also indicated significant relationships between those who had donated money to the institution and those who believed it gener-ated wealth ($\chi^2 = 5.100$, $df = 1$, $p = 0.024$, $V = 0.116$), strengthened culture ($\chi^2 = 3.856$, $df = 1$, $p = 0.050$, $V = 0.101$), improved health ($\chi^2 = 6.283$, $df = 1$, $p = 0.012$, $V = 0.129$), and contributed toward community safety ($\chi^2 = 11.379$, $df = 1$, $p = 0.001$, $V = 0.174$).

Other statistically significant outcomes included those who believed the institution contributed value were more likely to engage with it, attempt to influence others to do business with it, influence others to donate money to it, and contribute their time to activities benefiting the organization.

Insights on Engagement Potential

Few, if any, researchers had conducted inquiries to determine if indi-viduals would engage differently with institutions similar to the one studied if their beliefs regarding the value it contributed to their community changed. This study addressed this question by asking informants how they would respond if their beliefs regarding the economic and social value generated by the organization changed in a positive way. One individual stated she believed the institution added value by supporting community initiatives and added, "I do have a desire [to support it in turn], and I always try to keep it in the forefront of my mind to feed back to the college." Another informant detailed the need to foster the symbiotic relationship between the community and the institution: "I really feel that the . . . community embraces [the institution] and recognizes that it is part of who we are, and that we need to nurture that relationship, to nurture that culture, and to make the most of it during the time that [students] are here and maybe they'll come back or give back to the commun-ity." One person captured the general sentiment among those inter-viewed regarding the relationship between the perceptions of the social value generated by the organization and the public's engage-ment with it. He said, "From a personal point of view [social impli-cations] would drive me more, just because of my own value system and beliefs. If I saw an escalation in the amount of work [the institu-tion was] doing in the area of social goodwill and what not, that would probably give me cause to say, 'Well, that's a good thing and I need to continue to support that because I want to see more of that.' To me there is definitely a connection there."

The fact that the informants indicated that they would become more engaged with the institution if their beliefs regarding its contri-bution toward generating economic and social value changed sug-gests that it would be strategically advantageous for leaders to take measures to improve stakeholder perceptions about the value their institutions produce.

When survey respondents and interview informants believed the institution contributed economic and social value to their community, they were more likely to interact with it in ways benefiting the organization.

Figure 1. Strategic Engagement Framework
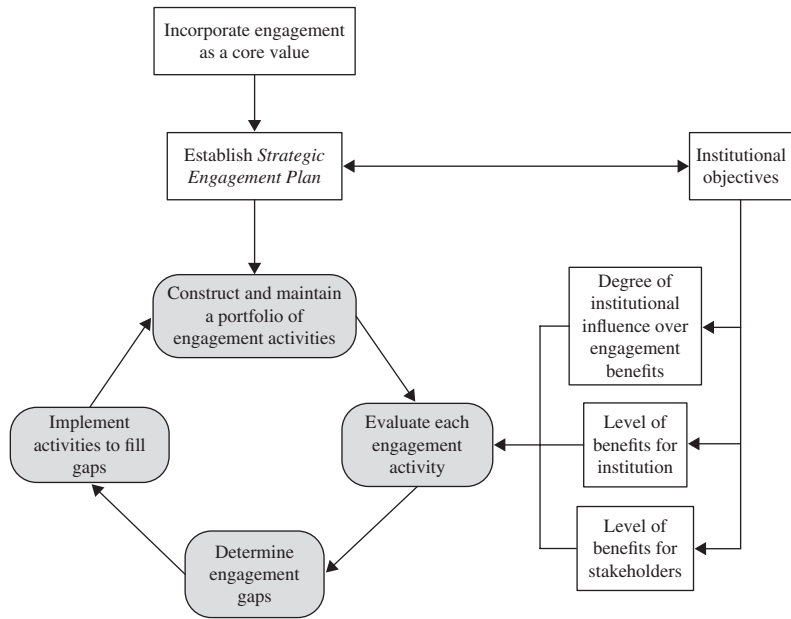
Leaders should implement a strategic engagement management approach to optimize the benefits they derive from their social capital as represented by their portfolio of engagement activities.

Discussion

The results from this research indicate that organizations like the one studied should strategically manage their engagement activities to enhance the benefits they derive from their network of stakeholders. This outcome is supported by the studies cited earlier (Ostrander, 2004; Schultz and Hatch, 2005) which called for an integrated and dynamic framework to facilitate strategic engagement management. The proposition derived from this study, then, is for nonprofit institutions to apply the Strategic Engagement Framework shown in Figure 1 and described next.

Analogous with institutional approaches to managing financial capital, institutional leaders should implement frameworks to optimize the value created by their stock of social capital. Most leaders consider responsible fiscal management to be a core institutional value. They should also incorporate engagement as a core value. Just as it is standard practice to create and actively manage annual budgets, leaders should implement a strategic engagement management approach to optimize the benefits they derive from their social capital as represented by their portfolio of engagement activities.

Incorporate Engagement as a Core Value

Holland (2001), the Kellogg Commission (1999), and others who have helped define what is meant by an engaged institution agree that engagement must be incorporated as a core value and included

in missions, strategic plans, and goals. While the institution studied was meaningfully engaged with its community, it had not yet incorporated engagement as a core value.

As proposed by the Strategic Engagement Framework shown in Figure 1, institutional leaders should incorporate engagement as a core value to pave the way for their organizations to become engaged institutions that strategically mobilize social capital to create value. This would involve incorporating engagement into missions, strategic plans, goals, and policies (Holland, 2001; Kellogg Commission, 1999). Leaders must demonstrate continued support for involvement with external individuals, organizations, and society; and they should focus on shared concerns and mutual benefits between their institution and its stakeholders.

Entrenching engagement as a core value will require strong leadership to change attitudes through professional development, alter recognition processes to encourage engagement through employees, and otherwise guide the organization toward this endpoint. The transition from incorporating engagement to entrenching it will be time consuming and will require much effort.

Establish a Strategic Engagement Plan

The major impediment to assessing the value generated by its portfolio of engagement activities was that the organization studied did not yet have an institutional engagement strategy or set of goals against which to assess the outcomes from its involvement with stakeholders. With its pending board of governors' approval of an enterprise-level goal to engage with its community, the institution appeared to be poised to strategically develop goals for outcomes from political advocacy, community boards membership by employees, and other engagement activities so that its leaders can identify the strengths and deficiencies in their stock of social capital and in its use. Armed with this knowledge, the leaders would be able to actively manage the portfolio to establish an optimum mix and balance of engagement activities.

Institutions should establish strategic plans identifying how they will identify, create, organize, and mobilize their social capital to maximize outcomes contributing toward the organization's mission and objectives. These plans should identify the appropriate balance of activities falling under social, economic, physical, and political categories. It should also consider the types of collaboration desired from among philanthropic, transactional, and integrative classifications. For example, some institutions may wish to increase philanthropic collaborations with charitable organizations for benevolent purposes, to create goodwill, or generate publicity. Some institutions may want to enhance their integrative relationships with other organizations to enhance customer services offered.

[Strategic] plans should identify the appropriate balance of activities falling under social, economic, physical, and political categories.

Two key conclusions from the statistical analysis of the survey data collected as part of this study can be drawn: those more familiar with the institution believed more strongly in the value it generated, and those who believed it generated value were more likely to engage with it in ways benefiting the organization. A key conclusion from the interview data was that leaders should implement measures to improve stakeholder perceptions about the value generated by the institution as this may result in more engagement between it and its stakeholders leading to better operating outcomes. An important component of a strategic engagement plan, therefore, should be an education initiative designed to inform community members about how the social and economic value the institution generates can personally benefit them. For example, if community members are more aware that they pay less tax and the level of safety in their community is higher because the institution is there, these community members may engage more with the institution in ways that benefit it.

Manage a Portfolio of Engagement Activities

A key component to managing social capital is to maintain an accurate and dynamic institutional portfolio of engagement practices. As shown in Figure 1, leaders should continually evaluate the portfolio to determine its fit with its strategic engagement plan in terms of the desired balance of items with social, economic, physical, and social influences. It should also monitor the balance of philanthropic, transactional, and integrative collaboration types. Organizational leaders must continuously evaluate the elements of the inventory of engagement based on the level of benefits generated and the degree of influence the institution has toward guiding the outcomes toward achieving institutional objectives. Active management of activities should ensure gaps between potential and actual engagement outcomes are filled.

A portfolio of engagement activities in isolation has limited use. When assessed against institutional goals and actively managed to fulfil organizational strategies, however, it should be a powerful tool. An initial portfolio, similar to the partial portfolio shown in Table 2 and summarized in Table 4, should provide institutional leaders with a starting point for assessing whether their institution has an optimum mix and balance of engagement activities. As leaders establish and implement a Strategic Engagement Plan for mobilizing institutional social capital in purposive ways in pursuit of goals, the utility of the portfolio should increase as it can be used to assess the success of the plan.

As engagement activities are managed to ensure the efficient use of resources, some relationships might be changed to a different position on the philanthropic to transactional to integrative continuum. Others might be expanded within their position on the continuum. For example, an integrative engagement activity might include a strategic

alliance with a supplier of critical resources. A strategic initiative might be to establish other such alliances with other suppliers and customers.

Other activities might be converted into different forms of capital. For example, some social capital elements arising from the institution's networks might be identified as potential sources for donations. This could result in new economic or physical capital. Other network connections might hold the potential for increased political influence resulting in enhanced advocacy outcomes or more government grant funding. In the case of the institution studied, it might assess the value added by its portfolio of engagement activities to determine whether it can or should engage more community members as volunteers, committee members, and in other ways supporting important initiatives.

Managing a portfolio of engagement activities should involve evaluating its elements by focusing on the three components shown in Figure 1. The first component is the degree of influence the institution has over the engagement benefits. The better the activity fits within the institution's predetermined strategic engagement plan, the higher it should be rated. The remaining two components are the potential levels of benefits that could be realized by the institution and by individuals, organizations, and society external to the institution. Activities most likely to help the organization achieve its objectives as identified in the strategic engagement plan should be rated higher.

Limitations and Further Research

One limitation to this study is that it involved a single case in one sector of the economy. Further studies are required to determine to which types of organizations the results will apply beyond institutions in the higher education sector. Another limitation is that only one of the components of the Strategic Engagement Framework prescribed was tested; the potential for developing a map of engagement activities. A case study should be conducted with an organization interested in implementing the complete framework to test its utility.

References

Austin, J. "Strategic Alliances." *Stanford Social Innovation Review*, 2003, *1*(2), 48–55.

Bourdieu, P. "The Forms of Capital." In M. Granovetter and R. Swedberg (eds.), *The Sociology of Economic Life*. Boulder, CO: Westview, 2001.

Burchardt, T. "Social Capital." In I. McLean and A. McMillan (eds.), *The Concise Oxford Dictionary of Politics*. Oxford, UK: Oxford University Press, 2003.

Burns, N., Schlozman, K. L., and Verba, S. *The Private Roots of Public Action: Gender, Equality, and Political Participation.* Cambridge, MA: Harvard University Press, 2001.

Castiglione, D., Van Deth, J. W., and Wolleb, G. (eds.). *The Handbook of Social Capital.* Oxford, UK: Oxford University Press, 2008.

Coleman, J. S. "Social Capital in the Creation of Human Capital." *American Journal of Sociology*, 1988, *94*, 95–120.

George, D., and Mallery, P. *SPSS for Windows Step by Step: A Simple Guide and Reference, 14.0 Update* (7th ed.). Boston: Pearson/Allyn and Bacon, 2007.

Hazleton, V., and Kennan, W. "Social Capital: Reconceptualizing the Bottom Line." *Corporate Communications*, 2000, *5*(2), 81–86.

Holland, B. A. "Exploring the Challenge of Documenting and Measuring Civic Engagement Endeavors of Colleges and Universities: Purposes, Issues, Ideas." 2001. Retrieved April 22, 2009, from http://www.compact.org/advancedtoolkit/pdf/holland_paper.pdf.

Ihlen, O. "The Power of Social Capital: Adapting Bourdieu to the Study of Public Relations." *Public Relations Review*, 2005, *31*(4), 492–496.

Jackman, R. W. "Social Capital." In N. J. Smelser and P. B. Baltes (eds.), *International Encyclopedia of the Social and Behavioral Sciences.* Oxford, UK: Pergamon, 2001.

Kellogg Commission on the Future of State and Land-Grant Universities. "Returning to Our Roots: The Engaged Institution." Washington, DC: National Association of State Universities and Land-Grant Colleges, 1999.

Kim, S.-H., Brunner, B. R., and Fitch-Hauser, M. "Exploring Town-Gown Relations: Community Relations in a University Setting." Auburn, AL: Auburn University, 2005.

Kim, S.-H., Brunner, B. R., and Fitch-Hauser, M. "Exploring Community Relations in a University Setting." *Public Relations Review*, 2006, *32*(2), 191–193.

King, N. K. "Social Capital and Nonprofit Leaders." *Nonprofit Management and Leadership*, 2004, *14*(4), 471–486.

Lenzer, G. "Whither Sociology? Some Reflections on the Ideas of 'Globalization' and 'Social Capital.'" *International Review of Sociology*, 2007, *17*(3), 495–509.

Lin, N. "Social Networks and Status Attainment." *Annual Review of Sociology*, 1999, *25*(1), 467–487.

Lin, N. "Inequality in Social Capital." *Contemporary Sociology*, 2000, *29*(6), 785–795.

Lin, N., and Erickson, B. H. (eds.). *Social Capital: An International Research Program.* Oxford, UK: Oxford University Press, 2008.

Lin, N., and Fu, Y.-C. "Social Capital: Social Resources, Civic Engagement, or Trust?" Paper presented at American Sociological Association Annual Meeting, Atlanta, August 16–19, 2003.

Maak, T. "Responsible Leadership, Stakeholder Engagement, and the Emergence of Social Capital." *Journal of Business Ethics*, 2007, *74*(4), 329–343.

Manzo, L. C., and Perkins, D. D. "Finding Common Ground: The Importance of Place Attachment to Community Participation and Planning." *Journal of Planning Literature*, 2006, *20*(4), 335–350.

Norusis, M. J. *SPSS 11.0 Guide to Data Analysis*. Upper Saddle River, NJ: Prentice Hall, 2002.

Ostrander, S. A. "Democracy, Civic Participation, and the University: A Comparative Study of Civic Engagement on Five Campuses." *Nonprofit and Voluntary Sector Quarterly*, 2004, *33*(1), 74–93.

Owen-Smith, J., and Powell, W. W. "Networks and Institutions." In R. Greenwood, C. Oliver, K. Sahlin, and R. Suddaby (eds.), *The Sage Handbook of Organizational Institutionalism*. Los Angeles: Sage, 2008.

Powell, W. W., and Grodal, S. "Networks of Innovators." In J. Fagerberg, D. C. Mowery, and R. R. Nelson (eds.), *Oxford Handbook of Innovation*. Oxford, UK: Oxford University Press, 2005.

Powell, W. W., Koput, K. W., and Smith-Doerr, L. "Interorganizational Collaboration and the Locus of Innovation: Networks of Learning in Biotechnology." *Administrative Science Quarterly*, 1996, *41*(1), 116–145.

Putnam, R. D. *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon & Schuster, 2000.

Rossteutscher, S. "Social Capital and Civic Engagement: A Comparative Perspective." In D. Castiglione, J. W. van Deth, and G. Wolleb (eds.), *The Handbook of Social Capital*. Oxford, UK: Oxford University Press, 2008.

Saxton, G. D., and Benson, M. A. "Social Capital and the Growth of the Nonprofit Sector." *Social Science Quarterly*, 2005, *86*(1), 16–35.

Schneider, J. A. "Connections and Disconnections Between Civic Engagement and Social Capital in Community-Based Nonprofits." *Nonprofit and Voluntary Sector Quarterly*, 2007, *36*(4), 572–597.

Schuller, T. "Reflections on the Use of Social Capital." In I. van Staveren and P. Knorringa (eds.), *Beyond Social Capital: A Critical Approach*. New York: Routledge, 2008.

Schultz, M., and Hatch, M. J. "Building Theory from Practice." *Strategic Organization*, 2005, *3*(3), 337–347.

Son, J., and Lin, N. "Social Capital and Civic Action: A Network-Based Approach." *Social Science Research*, 2008, *37*(1), 330–349.

Statistics Canada. "2006 Community Profiles." Retrieved April 23, 2009, from http://www12.statcan.ca/census-recensement/2006/dp-pd/prof/92–591/.

Svendsen, A. C., Boutilier, R. G., and Wheeler, D. *Stakeholder Relationships, Social Capital and Business Value Creation*. Toronto: Canadian Institute of Chartered Accountants, 2003.

LEE A. SWANSON is an associate professor at the Edwards School of Business, University of Saskatchewan, Canada.