



Indeed Relevant

The Pivotal Role Associations Play
in a Hyper-connected World

A **Working Paper** prepared
for the association community
by a core group of professionals
for the **Melos Institute**

2011 Initiative

Restoring Purposeful Pathways:

Defining the Role of Membership-based Organizations in Advancing America's Potential

This paper is the result of a special project conducted under the auspices of the Melos Institute.

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This working paper premieres the work generated by a core group of professionals who offer, for your review and comment, the first underlying theoretical framework and set of universal principles designed to validate the existence and distinctive nature of associations from other nonprofit and for-profit entities.

Membership-based Organization: A Term Uniquely Our Own

The term voluntary association has been used for some time to define a wide range of nonprofit organizations. In 1986, David Knoke, Ph.D. defined a *membership association* as “a formally organized named group, most of whose members – whether persons or organizations – are not financially recompensed for their participation.”¹ In 2006, David Horton Smith, Ph.D., Robert A. Stebbins, Ph.D., and Michael A. Dover, Ph.D. defined a *membership association* as “a relatively formally structured nonprofit group that depends mainly on volunteer members for participation and activity and that primarily seeks member benefits, even if it may also seek some public benefits.”²

In 2000, James R. Hudson, Ph.D. began a special research effort by reading the published histories of associations. His work generated a deeper understanding of these organizations than had been previously recorded. It revealed many remarkable advancements and contributions made by these organizations within their disciplines and the larger society that have been largely forgotten. His research has dispelled many assumptions about membership and member involvement that were considered contemporary. He supported a growing assumption that these organizations operated differently from other types of voluntary or membership associations. The terms above seemed insufficient to define those institutions in his sample that represented a trade, profession and in some cases a personal avocation. He felt a new term was needed to distinguish them from others: “*membership-based organization (MBO)*.” His research sample includes nearly 300 published histories; and the search for more continues.

One of the first things that becomes evident when working within the nonprofit community in general and the association community in particular is the discrepancy that exists among the most commonly used terms.

Because words and their meanings matter, establishing a standard when creating a new framework is considered essential. This working paper introduces a new definition for MBOs, a theoretical framework explaining their emergence and existence, and a set of principles that further distinguishes them from other nonprofit and for-profit organizations.

Definition and Distinctions

A *membership-based organization* is drawn from a population of individuals or organizations that voluntarily join together to promote and protect their mutual interests. The members of these organizations are generally self-selected but membership is often limited to those who possess a specific set of qualifications or interests. It can be studied as a community built upon a network of relationships among its members (who are considered citizens) who share a common identity based upon a profession, trade, or personal avocation. These relationships are held together by a common set of interests and a willingness to assume a known set of responsibilities.

Members of these organizations all share a common denominator that makes them eligible for membership. This generates a degree of homogeneity within the MBO. Members share an interest in furthering the MBO's core discipline; an interest that is often incorporated into the qualifications for membership to ensure the organization's integrity. MBOs often initiate efforts to define and develop a body of knowledge that advances the field or discipline.

MBOs are focused on the self-fulfillment of their members' goals. They are distinguished from other voluntary organizations in that the only way to satisfy them is by tapping other members' skills, abilities and talents. They work to advance the discipline they represent (trade, profession or personal avocation). Members, *as* citizens of these communities, for the most part have the right to vote and hold office within these self-governing organizations.

The organization's viability depends upon the members' willingness to take responsibility to govern and contribute as volunteers. Members possess the content expertise of their respective field. Their contribution of information and knowledge is essential in order to produce the programs, products, and services that they and other members consume. Their contribution of time and talent advances the organization's mission and goals as well as those of their fellow members. While the organization may focus its attention on advancing the interests of others and benefit the larger community through their actions, their efforts are primarily member-centered. Members are the essence of these organizations.





As MBOs develop, they require a volunteer and staff leadership team to operate effectively. They are drawn from two distinct populations: the *elected leadership* is generally recruited from the membership; and the *employed leadership* is generally recruited from a professional community (exceptions do exist; members have been employed to assume staff positions). While MBOs have existed since the formation of the Republic, the field of association management has emerged as a professional discipline within approximately the last half-century. A growing number of staff professionals have amassed an expertise in this field, yet the majority come to these organizations with backgrounds in specific functional areas (e.g. communications, education, finance, marketing, etc.).

Nonprofit organizations dedicated to addressing a specific issue (e.g. education, homelessness, poverty, hospice care, etc.) are generally governed by a board of directors who serve in a voluntary capacity. These leaders are often chosen because of their name recognition or their expertise in a specific area needed to further the organization's mission (e.g. fundraising to accounting to legal support). Professional staff generally possess the content expertise necessary to serve the organization's clientele.

In MBOs, volunteer and staff leaders bring a unique set of complementing skills that are equally essential to the organization's operations. While members voluntarily assume leadership roles in MBOs for governance purposes, the scope of that contribution differs because they represent their own membership community rather than a distinct clientele. While members may have been elected or appointed because they exhibit specific leadership qualities, they also possess the discipline's content expertise. They understand the opportunities and challenges in their field of endeavor. The staff in MBOs may possess a general awareness about the discipline but their expertise lies in understanding the processes needed to manage and operate the organization. Staff understand how to convert the information and knowledge generated by members into the programs, products and services responsive to member needs. In successful MBOs, volunteer and staff leaders operate as synergistic partners, each contributing fully while supporting the other to achieve their collective goals.

“...You cannot possibly think outside the box unless you understand the nature of the box that bounds your current thinking. You must come to know that nature deeply...”

Dan Pallotta
2011

A Theoretical Framework & Set of Universal Principles

For a long time, association professionals depended on one another to learn the nuances of their craft. Over the past several decades, a growing body of knowledge has emerged putting association management on a path to becoming a profession. By offering an underlying theoretical framework, the body of knowledge is further strengthened by defining the ‘underpinnings’ that explain the very emergence and existence of MBOs and ultimately the profession. **Human ecology** is the sociological theory that best describes this phenomenon.

Having such a framework also allows for the development of generalizations that define and describe the existence and operations of MBOs. They become guiding principles. They describe the ideologies that help establish the processes and practices necessary to successfully govern and manage the organization. When incorporated into the process of creating new knowledge, the principles instill greater confidence that these new contributions to the body of knowledge will produce the desired outcome of generating a highly engaged membership community. Such a set of universal principles are presented in this paper. These statements help differentiate MBOs from other nonprofit and for-profit organizations.

Human Ecology

Amos H. Hawley is the recognized leader in contemporary *human ecological theory*. He took earlier approaches of this theory and made the necessary adjustments to frame it as being *eminently social*.

One of his colleagues noted, “Hawley insisted that human beings must adapt often by changing their man-made and physical habitats everywhere and do so collectively, not individually, by *organizing themselves as communities*.” The theory provides insights as to why organizations, like MBOs, begin to resemble one another in their structure and function.

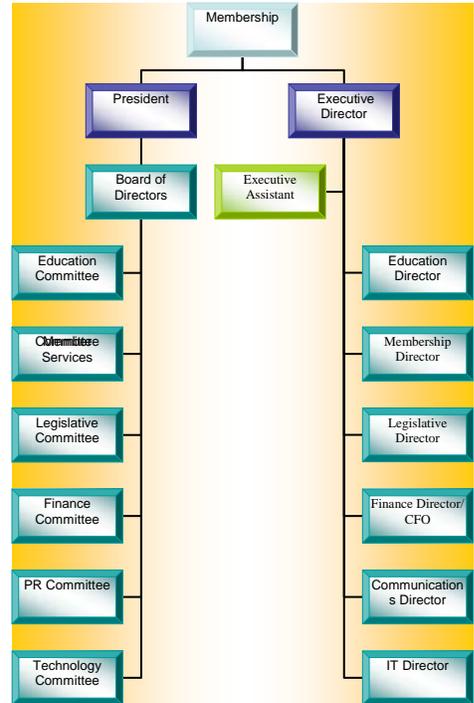
Hawley recognized that populations can be divided up into almost infinite **social categories** including age, sex, gender, race, religion, occupation, and more. These **social categories** can become the basis for collective action. They often mobilize when they feel threatened or challenged. At that point, they become **categoric units**. The ties that bind members together into a *network of effective social relations* increase their ability to do more than merely survive. It gives them the collective strength to become important units in the larger social environment.



Participants in categoric units develop a **corporate structure** to coordinate even the simplest of tasks. In the early stages, the corporate entity is often very rudimentary. For example, someone must assemble interested individuals, find a space to meet, coordinate meetings and more. As this system evolves a more formal structure is required to pursue the organization's purpose and goals.

Hawley demonstrates that those with common interests can mobilize to act when threatened or challenged. Human ecology has its limits for understanding the social dynamics of MBOs. It does not address its normative or cultural aspects. Hawley does not provide sufficient insight on the *nature of the network of effective social relations* or the **community** that is formed within the context of MBOs. Other theories will be selected that address this issue.

What is most notable about Hawley's theory, however, is that the categoric group establishes a *network of social relations* to form a **community**. As a population, this community operates differently from those found in other for-profit and nonprofit institutions. The 'membership community' is dependent upon a corporate or administrative (or corporate) entity. To survive and thrive, these two components must find ways to co-exist in this symbiotic relationship. Uncovering the dimensions that enrich this relationship is the key to building the alternative model.



Universal Principles

Universal principles help delineate the distinction between MBOs and other nonprofit institutions. They also define the general parameters of how MBOs are constructed and contribute within a democratic society.

Properly crafted, they remain consistent over time.

The following universal principles were derived from discussions conducted by an advisory group involved in a special project for the Melos Institute.



MBOs are ubiquitous.

MBOs emerge in democratic societies in response to threats and challenges for those who share similar characteristics.

They exist in every sector of our society. They will emerge in a free and open society as long as who are challenged or threatened can exercise their civil liberties.

MBOs are boundary-defined.

Eligibility requirements delineate the boundaries of a specific domain representing a trade, profession or personal avocation. These may be adjusted over time.

Geographic boundaries are often included but rarely used as the primary means of defining the parameters of the organization.

MBOs are change-agents.

MBOs' missions are designed to improve and advance the lives of those they serve and often the larger society.

Their successful actions can produce both incremental and massive social changes; all of which might not be welcomed by some segments of our society.

MBOs are micro-democracies.

As corporate entities MBOs follow all the legal and financial requirements and guidelines required to maintain their nonprofit status. More importantly, the governance system that is established parallels our democratic process. The systems for governance and management within MBOs invite the active participation of the entire community. These systems foster the kind of transparency and accountability required for sound decision making on matters specific to the ethical behavior of the individuals involved as well as the discipline as a whole.

MBOs are relation-centered.

MBOs provide opportunities for eligible individuals to establish, strengthen, and improve affective relationships with others who share similar characteristics, interests, and goals. These relationships have the potential to be a positive influence for them both personally and professionally. Developing meaningful relationships are fundamental to the vitality and sustainability of an MBO. They help engender the mutual trust necessary for the MBO to advance the collective goals of the defined discipline.

MBOs are 'citizen'-dependent.

MBOs require a significant amount of human capital to advance their goals. Those who are eligible become citizens of the distinctive community. Citizenship affords everyone a set of rights and privileges; and a set of duties and responsibilities. Those who chose to join (in whatever form that takes) gain immediate and equal access to all the MBO has to offer. Many soon come to learn that the benefits they enjoy were generated in large part from the contributions made by other members (in cooperation with staff). Reciprocity within the community must be continuous for the organization to remain vital. Members recognize that contributing their skills, abilities and talents in some form not only fulfills their duties and responsibilities as a citizen, but also often generates a whole new set of unanticipated benefits.

MBOs are leader-synergistic.

MBOs were established by individuals willing to contribute their time and expertise to get things done during the formative stages. A larger pool of volunteer leaders had to be recruited to address a more complex set of interdependent tasks as these organizations grew and expanded. But the impermanent nature of volunteerism (influenced also by bylaw limitations) has made and continues to make it imperative to continuously recruit and train replacements. Securing a paid staff to address specific responsibilities has proven to be a viable alternative to ensure the MBOs sustainability. In MBOs, volunteer and staff leaders of all kinds are dependent upon one another to fulfill their responsibilities effectively. This interdependence extends beyond each volunteer and staff partnership. A dynamic synergism must exist between and among these partnerships as well. The organization's success is dependent upon the productive working relationships that are established between and among partnerships as no major function can operate in isolation from the others.

MBOs are development-focused.

MBOs focus on the advancement of the individual, the discipline, and often the larger society. MBOs are dedicated to advancing the competency of those involved in the discipline. MBOs recognize the significant impact that can be achieved when individuals share and exchange information. MBOs are actively engaged in defining the body of knowledge necessary to advance the discipline. They have formalized this action in at least two ways: conducting formal learning opportunities and establishing designation/certification programs that demonstrate competency/proficiency in the discipline. A wide range of materials and tools are developed in support of this end.



MBOs are community-enhancing.

MBOs are created to respond to a specific threat or challenge affecting a specific group of people. Its emergence and operation necessitates that it operate in four communities simultaneously. The primary community consists of those prospective and current members involved in the discipline represented by the MBO. Another community is formed within the MBO among the volunteer and staff leadership team that must work together to achieve its goals. The professional staff within these organizations forms another community that is interested in sharing common interests and problems surrounding the population of MBOs. Finally, MBOs also participate in the larger society by sharing information and knowledge with those most affected by the findings from their work or research. In democratic societies these organizations often depend upon the support of the general citizenry to advance their efforts surrounding legislative and regulatory issues.

These universal principles establish a foundation from which more detailed principles - focused specifically on each core function within the model – can be defined. Their presence continuously reminds us that the organization we are creating, shaping and strengthening differs from any other. Their clarity shapes our thinking as we develop strategies and tactics focused on building and sustaining highly engaged membership communities within MBOs. And yet, while principles are designed to remain consistent over time, opportunities to revise them exist when greater clarity can be achieved. With increased attention toward building a greater understanding of member engagement/involvement, continued focus will be given to ensure the principles maintain clarity and comprehension.

Next Steps

The Melos Institute is a place where lively debate and serious discussion surrounding persistent and emerging issues occurs. We have offered a different way of thinking about MBOs, suggesting they are distinctive from other nonprofit and for-profit organizations. We have proposed a theoretical framework that explains why MBOs have and will continue to emerge in our society. And finally, we have offered a set of principles to guide further discussion.

The Institute exists as an independent think tank working cooperatively with other organizations interested in building active and vibrant membership communities. It offers a place for individuals who are interested in seeking solutions to the persistent problems facing MBOs. It is a place where collective dialog is employed to lead to productive action. The Institute’s success rests upon the willingness of association professionals, like you, to become part of the grass-roots effort in shaping the information and knowledge that will guide the future of the profession.

In *Indeed Relevant: A Relation-centered Model for Building a Highly-engaged Membership Community in a Hyper-connected World*, the working paper offers a different way of thinking about the functions of association management. This model will be used in 2012 in conjunction with another (model to build membership communities) to find more effective approaches to influencing and increasing member engagement/involvement.

We invite your participation. Although donations are welcome, no dues or fees required to participate. Simply, your willingness to contribute fully!



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¹. The NonProfit Sector: A Research Handbook, 2nd Edition, Walter Powell, Richard Steinberg, Eds., New Haven, Connecticut, Yale University Press, 2006: 659 pp.

². A Dictionary of Nonprofit Terms & Concepts, David Horton Smith, Robert A Stebbins, and Michael A. Dover, Bloomington, Indiana: Indiana University Press, 2006: 337 pp.

³. Special Interest Society: How Associations Shape America, James R. Hudson, currently awaiting publication.