Navigating the For-profit – Nonprofit paradox: the case of management consulting for nonprofit organizations

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Résumé :

NPOs struggle to obtain financial and human resources to achieve their mission. We focus on the paradoxical tensions pertaining in the nonprofit organizations when they try to reduce the gap between resources and planned impact. Taking the case of a nonprofit organization which support other NPOs through student and corporate volunteering, we show how paradoxical tensions that are mitigated at one point in time led to knotted tensions that the organization needs to manage in turn. We argue that it constitutes a downward spiral that hampered the development of the organization and explains the broader difficulty that organizations face when navigating organizational paradoxes.

Mots-clés : nonprofit organizations; resource acquisition ; paradoxical tensions ; funding

1. INTRODUCTION

In order to achieve their mission, nonprofit organizations (NPOs) have to obtain financial and human resources. However, resource acquisition is different and more complex than in for-profit organizations. In many cases, the beneficiaries of NPOs' value proposition are not able to pay the full cost of the services offered (Gauthier et al., 2020). The NPOs must face this challenge by finding other stakeholders that are willing to fund the activity. Beyond some specific sectors where NPOs' activities are funded through well-established mechanisms, such as provision of social services funded by public bodies, NPOs struggle to obtain financial resources. They often must compete with other NPOs, and to find specific arguments and value propositions to stakeholders to get resources (Cotterlaz-Rannard & Ferrary, 2021).

To analyze this challenge faced by NPOs, we use the lens of organizational paradoxes, i.e., *"contradictory yet interrelated elements (dualities) that exist simultaneously and persist over time"* (Smith & Lewis, 2011, p. 382). In the nonprofit organizations, paradoxical tensions originate from the for-profit approach that influences the nonprofit sector, a phenomenon much studied in the literature (Eikenberry & Kluver, 2004; Hwang & Powell, 2009). To mitigate paradoxical tensions, the literature shows that nonprofit organizations develop different strategies based upon the processes that they implement (Ismail & Johnson, 2019; Mason & Doherty, 2016; Michaud, 2013, 2014; Petrella et al., 2021). Specifically, as we think that the recent developments in the paradox literature that adopted a process perspective (Jarzabkowski et al., 2013, 2021; Sheep et al., 2017) offer interesting potentials for the understanding of NPOs, this article asks the following research question: *how do organizations deal with paradoxical tensions inherent to hybrid organizing situations throughout their development?*

Of particular interest to the study of the paradoxical tensions pertaining nonprofit organizations is the new yet growing practice that consists of management consulting services inspired from consulting to for-profit and public organizations (Kirkpatrick et al., 2019). Thus, this article focuses on a French consulting organization for nonprofit organizations (NPOs) which we call Pro Bono Consulting (PBC), a pseudonym. We study the paradoxical tensions that pertain the organization since the creation of the organization in 2011 by following a process perspective. Our results show that paradoxes are knotted as the mitigation of one paradox leads to another paradox. In the case of PBC, knots led to a vicious circle that hampered the growth of the consultancy. Our research offers theoretical contributions by improving our understanding of NPOs, by building on other concepts related to the paradox literature to enrich it, and by opening a research field dedicated to consulting for nonprofit organizations.

The remaining of this article is organized as follows. In the first section, after acknowledging the tensions inherent to nonprofit organizations, we show how a paradoxical lens can help understand them and thus develop how paradoxical tensions are mitigated. In the second section, we develop our method based on the study since 2011 of a hybrid organization called PBC. In a third section, we develop our case in a chronological way to show how paradoxes and their mitigation develop over time. In a last section, we discuss our results and conclude this article.

2. THEORETICAL BACKGROUND

2.1. TENSIONS PERTAINING TO NONPROFIT ORGANIZATIONS ARE CENTERED AROUND IMPACT VS. RESOURCES

Nonprofit organizations are commonly defined as private organizations whose primary goal is to serve a public interest. They typically rely on voluntary participation (Anheier, 2006). Numerous studies have shown how they can be influenced by business-like approaches. The influence can first be perceived through the origin of the NPO's financial resources: as a growing part of NPOs' revenues come from the market, they develop commercial relationships based on the satisfaction of their clients (Shoham et al., 2006). It can also be viewed through the tensions that NPOs face. On the one hand, they are subject to economic risks (Weisbrod, 1998) and compete with for-profit or other nonprofit organizations (Eikenberry & Kluver, 2004) and on the other hand, they keep their social purpose and some specific features of third sector organizations such as participatory governance (Defourny & Nyssens, 2012). Finally, the influence is seen in internal practices that originate from the profit sector: result-based accountability (Keevers et al., 2012), tools and procedures (Hvenmark, 2013), human resources procedures (Hwang & Powell, 2009), etc.

Whereas numerous scholars consider that business-like influences are potentially conflictual for nonprofit organizations (e.g., Beaton, 2019; Eikenberry & Kluver, 2004), in contrast, other studies argue that a certain degree of for-profit logics and tools are necessary for NPOs to achieve their social mission (e.g., Cooney, 2011). At the middle of these two radical positions, some scholars consider that NPOs have to deal with for-profit influence and thus focus on the way they can manage the inherent tensions of this position (Binder, 2007; Le Ber & Branzei, 2010).

Following that perspective, we can consider that NPOs are hybrid by nature (Brandsen et al., 2005; Skelcher & Smith, 2015) since they combine their specific mission and characteristics with business-like elements (Pache & Santos, 2010), such as simultaneously managing community-focused and client-focused growths (Kannothra et al., 2018). Hybrid organizing is in fact defined as "the activities, structures, processes and meanings by which organizations make sense of and combine aspects of multiple organizational forms" (Battilana & Lee, 2014, p. 398). It leads to potential conflicts (Hwang & Powell, 2009), with implications for the growth of the organization (Jäger & Beyes, 2010) and for the evolution of its business model (Litrico & Besharov, 2019).

2.2.A PARADOXICAL LENS TO UNDERSTAND THE CONFLICTING DEMANDS

We argue that a paradoxical lens best captures the institutional complexity inherent to hybrid organizations (Smith & Tracey, 2016). Organizational paradoxes are defined as "contradictory yet interrelated elements (dualities) that exist simultaneously and persist over time" (Smith & Lewis, 2011, p. 382). For instance, Jay (2013) showed that institutional logics that pertain hybrid organizations do not necessarily compete, contradict, or conflict continuously but can create latent paradoxes that only surface at particular moments in time. Similarly, Battilana et al. (2015) showed that the hybrid nature of social enterprise creates a paradoxical relationship between social imprinting and social performance best accompanied by "spaces of negotiation" they define as arenas of interaction that allow all staff members to discuss and agree on how to handle the daily trade-offs that they face across social and commercial activities. The spaces of negotiation maintain a productive tension between the staff members of each of these activities.

We contend that there is an interest in mobilizing a paradox approach to delve into hybrid organizing (Smith et al., 2013; Smith & Cunha, 2020; Smith & Tracey, 2016).

2.3.MITIGATING PARADOXICAL TENSIONS

Given the persistence of paradoxes within organizations (Schad et al., 2016), research first sought to find ways to mitigate paradoxical tension. The literature shows that mitigating tensions occurs by accepting the paradox and learning to live with it, by conducting a temporal or spatial separation between the two poles of the paradox, or by introducing new terms to resolve the paradox (Poole & Van de Ven, 1989). In practice, NPOs manage their tensions in diverse ways: through the discourse developed in the mission statements of organizations (Michaud, 2013); by developing legitimacy-seeking governance processes (Mason & Doherty, 2016); through the decision-making practices developed on an everyday basis (Ismail & Johnson, 2019); by making radical adjustments that involve the mobilization and combination of resources, re-arranging organizational governance and the adoption of new legal forms (Petrella et al., 2021); or by developing relational mechanisms that help individuals deal with paradoxes (Pamphile, 2021).

One promising research avenue has focused on mitigating the paradoxical tension across the organizations. For instance, Ashforth and Reingen (2014) explained how a tension regarding the mission of an organization can be managed across organizational levels. Similarly, Galuppo et al. (2019) showed how leaders navigate paradoxes by leveraging top-down influence and bottom-up participation; and Pradies et al. (2020) described how actors navigate the tensions by being paralyzed in some and energized in others. In fact, paradox occur simultaneously at different levels of the organization (individual, organizational, field) and throughout time (Gilbert et al., 2018; Jarzabkowski et al., 2013).

Research has modelled responses to paradoxes as processes that lead to the achievement of a dynamic equilibrium by moving between persistently contradictory poles to enable organizational survival and continuous improvement (Schad et al., 2016). For instance, Raisch et al. (2018) modelled paradoxes as a spiral learning through which movements converge and diverge over time. Jarabkowski et al. (2021) showed alternance of defensives responses leading to vicious circles and disequilibrium and integrative responses that support a virtuous circle of dynamic equilibrium.

Paradoxes can also be apprehended as being intertwined and knotted (Henriksen et al., 2021; Jarzabkowski et al., 2021; Sheep et al., 2017). By conceptualizing them this way, the aim is to study interrelationships among tensions rather than isolating them: constructing and responding to tension knots at one moment sparks a chain of other paradoxical tensions, which then must be addressed and responses to paradox knots have organizational consequences (Sheep et al., 2017). Actors frame knots through their discourses (Sheep et al., 2017) or actions (Jarzabkowski et al., 2021).

Building on the theoretical framework of organizational paradoxes (Sharma & Bansal, 2017) and apprehending them as knotted (Henriksen et al., 2021; Jarzabkowski et al., 2021; Sheep et al., 2017), we develop the case of Pro Bono Consulting to understand how an hybrid organization mitigates its paradoxical tensions following a temporal perspective.

3. METHODS

3.1. CASE SELECTION

To understand how organizations deal with paradoxical tensions inherent to hybrid organizing, we focused on consulting for nonprofit organizations. Management consulting can be perceived as the archetype of management and capitalism (Sturdy, 2011; Sturdy et al., 2016). In fact, consulting has been highly criticized for diffusing fads and fashion and using impression management towards client organizations (Clark & Fincham, 2002). In contrast, nonprofit organizations aim to address social issues through alternative modes of organization and resources (Anheier, 2006). Thus, consulting for NPOs is an interesting setting to grasp the paradoxical tensions inherent to hybrid organizing situations.

Our empirical study is based on a French consulting organization for nonprofit organizations and social enterprises that we call Pro Bono Consulting (PBC). Founded in 2010, this organization is itself a nonprofit organization. It relies on volunteers to deliver consulting projects: for each project, a team of four volunteer graduate students are managed by an active consultant who also volunteers and is called "manager" by PBC. Students come from business schools, engineering schools and universities. A call for applications is presented in exhibit A. They are selected by PBC through a process based on their motivations. They commit to PBC on a voluntary basis in parallel to their studies and spend between four and six hours per week during the four-month period of the project. For their part, around two third of the managers come from partner consulting firms, including one historical partner of PBC. The remaining managers engage on an individual basis and have a strong experience in consulting or large corporations. They take part in the project in addition to their professional activity for roughly 2 hours a week. PBC delivers on average 30 consulting projects per year for various nonprofit organizations, from small and new organizations to large charities and well-known social enterprises. Projects address various issues, such as strategy, growth, communication, optimization, and social impact measurement. Examples of projects are displayed in Table 1 below.

🚀*[Pro Bono Consulting] is an innovative program for students: they can do consulting projects coached by consulting professionals ([firm 1], [firm 2], [firm 3], etc.) for community-based organizations (NGOs, associations, social entrepreneurs, etc.).*

👩‍🎓👨‍🎓*In teams of four students coming from various universities and schools, coached by a manager, you implement your knowledge and develop your skills, managerial tools and entrepreneurial capacities.*

You participate to a consulting project and contribute to the development of innovative projects with strong social impact !

As always, we have plenty of very nice consulting projects to offer this semester:

- *Discover sustainable and social mobility by supporting [NPO A],*
- *Foster educational fulfillment with [NPO B],*
- *Participate to create diversity in media by advising [NPO C]*
- *Help to waste reduction with [NPO D]*
- *Or support pupils from underprivileged areas to success in school by helping [NPO E]!*

Join us !🚀

The recruitment campaign is open!

➡️ *Inscription:*
Https://XXX

⚠️*Be careful: number of participants are limited. Last call for inscription: 24th of January* ❗

Exhibit A: Call for student applications for PBC program (Post on Facebook, January 2021)

PBC is led by a team of volunteers who belong to the Executive Board (called "bureau" as in every French association). This executive board is composed of three to six people and oversees strategy and management of the whole organization. During the first years, the executive board included the three founders and two other volunteers. As of 2021, the PBC staff was also composed of one operational manager who is an employee and three young full-time "civic service" volunteers. Five to ten part-time volunteers are also strongly committed in the day-to-day activity of PBC. The staff oversees all the dimensions of consulting project preparation and supervision of implementation: communication and preparation of the consulting projects with NPOs, communication and selection of students, managers' search, students' and managers' briefing, projects' follow-up, etc. Pro Bono Consulting is funded by client organizations (30%), third parties such as foundations and corporations interested in providing consulting service to NPOs (40%), and partner consulting firms which borrow consultants for projects (30%).

Organization's name	Organization's mission	Project description
Apprentis d'Auteuil – hotline service	Leading charity in education for young at risk and support for parents.	Optimizing the use of data collected by the hotline service for parents.
Agir pour le Cambodge	NGO fighting against poverty and human trafficking In Cambodia with programs supporting education.	Building a strategy to retain, develop and animate a community of support for the NGO among young people (18-30 years old).
Agence du Don en Nature	Organization helping poor people by collecting and redistributing new non-food products.	Process implementation to control requests of partner charities and to plan in order to manage demand growth.
AMREF Health Africa	Leading NGO in public health in Africa.	Building a viable economic model for a training program of health professionals in Senegal.
Samu Social of Paris	Charity fighting against homelessness in Paris.	Analysis of marketing strategy of the organization.
Energie Jeunes	NPO supporting pupils from 11 to 15 in disadvantaged areas.	Analysis of the "life cycle" of a partnership with schools in order to forecast the churn in partnerships.
French Red Cross	Charity with various emergency interventions and services in health and social fields.	Social impact evaluation of a project called « improved alternative communication », implemented in services for disabled people.

Table 1: Examples of consulting projects for nonprofit organizations

3.2. DATA COLLECTION

To respond to our research question, we collected data on PBC. First, data are based on an organizational ethnography of one of the two authors who has acted as a volunteer since the creation of the organization. From 2010 to 2019, he has contributed to several tasks on a regular basis as a second range volunteer: presentations during yearly kick-off seminars, selection interviews of students, reading of documents about consulting projects, attendance of oral defenses of consulting projects, manager for two consulting projects (i.e., tutor of students acting as junior consultants). He has been a member of the board since 2012 (one or two meeting a year) and has attended several meetings during the first months of creation of the organization. From 2019 to 2021, he has been involved as a member of the Executive volunteer team. In that matter, he has contributed to monitoring the organization along with three other members of the team. He was more particularly in charge of statutory aspects of the organization (general assemblies, board meetings, change of statuses) and human resources. He was also in charge of a group gathering a few volunteers about NPOs and beneficiaries of PBC. Thanks to his global understanding of PBC, he could grasp some tensions inherent to the hybrid form of PBC.

Second, data were gathered by relying on interviews with the key stakeholders of the organization. They took place in 2021. As of now, we have gathered 7 interviews lasting on average 1.5 hour who have been conducted with the founders, the current president, a student, a board member, etc. The aim was first to help the author who has not been involved with PBC gain an understanding of the organization as he has conducted half of the interviews. As the interviews were centered on the development of the organization since its evolution by asking for potential issues and tensions, the aim was also – and more importantly – to understand how paradoxes and their mitigations unfolded over time.

Third, we relied on secondary data. We had access to 335 consulting requests which correspond to the projects pursued since the creation of PBC in 2011. They consist of a 2-to-6-page document that details the demand of the client organization for each project. We could also access consulting projects, primarily by examining the final reports produced by the volunteer consultants (for around 260 projects), but also by attending oral defenses (around 15 for the two authors). We also collected secondary data about the organization (activity reports, financial reports, social media posts, other internal documents such as student seminar schedule). Table 2 summarizes the data collected.

Primary data	**Secondary data**
Organizational ethnography conducted since the creation of the organization. Interviews with staff members, student and board members.	Database of all projects since the creation of PBC. Documents presenting requests from clients for 335 projects. Final reports of 260 projects. Annual activities reports and internal financial data since the creation. Miscellaneous internal documents (e.g., seminar schedule). Social media posts from the last two years.

Table 2: Data collection

3.3. DATA ANALYSIS

We relied on process studies to understand *"how and why things emerge, change, and unfold over time"* (Langley et al., 2013, p. 1). The idea of such approach is to expose the mechanisms that investigate the sequence of events and activities (Langley et al., 2013; Pettigrew et al., 2001; Van de Ven, 1992). Based on the collected data we first developed the chronology of the events that unfolded over time since the creation of PBC in 2011 (see figure 1). Then, relying on our interviews, we coded potential tensions and their responses over time. By triangulating the sources of data, we aggregated the tensions, confirmed or infirmed their paradoxical nature, and assessed the link between the tensions and the responses. It led to several discussions with the two authors. At the end, it led to the inductive development of a structure of paradoxes where we also display how knotted tensions lead to a vicious circle. We detail our findings in the next section.

4. FINDINGS

4.1. THE PROBLEM: THE HIGH AMBITIONS OF PBC REQUIRES RESOURCES

When PBC was created in 2010, its founders had high ambitions for the organization. It was initially designed as an educational leadership program. According to one of the three co-founders, the PBC aimed "to complete the training [students] had in elite schools. We wanted to give them another point of view through immersion in the social problems". For that purpose, the choice was made to immerge students through consulting projects for NPOs. To complete what they called the "PBC program", students had to achieve four consulting projects in a lapse of two years, attend four two-day training seminars, and complete a 6-month internship or a civic service in an organization from the social industry. At the same time, PBC aimed to help the nonprofit sector in need for professionalization by improving its capabilities to increase impact. Finally, in addition to delivering consulting projects supported by voluntary consultants, PBC also planned to build a "knowledge center" based on the experience drawn from the consulting projects done by students.

However, as has been recognized throughout the development of PBC, implementing such strategy requires resources to care for the recruitment of various actors (students, voluntary consultants, nonprofit organizations), to organize the consulting projects and the student seminars. While PBC could have relied on the commitment of its founders, none of them decided to invest the necessary time for PBC since they all had a quite demanding professional position on the side, leaving only little free time for PBC. To achieve the high ambitions of the organization, it was thus necessary to rely on other human resources or to look for financial resources.

To solve this challenge, PBC undertook several strategies at different time periods : increasing financial resources (strategy #1), increasing human resources (strategy #2) and reducing ambition (strategy #3). These three strategies are presented in the following sub-sections, and summarized in the figure below.

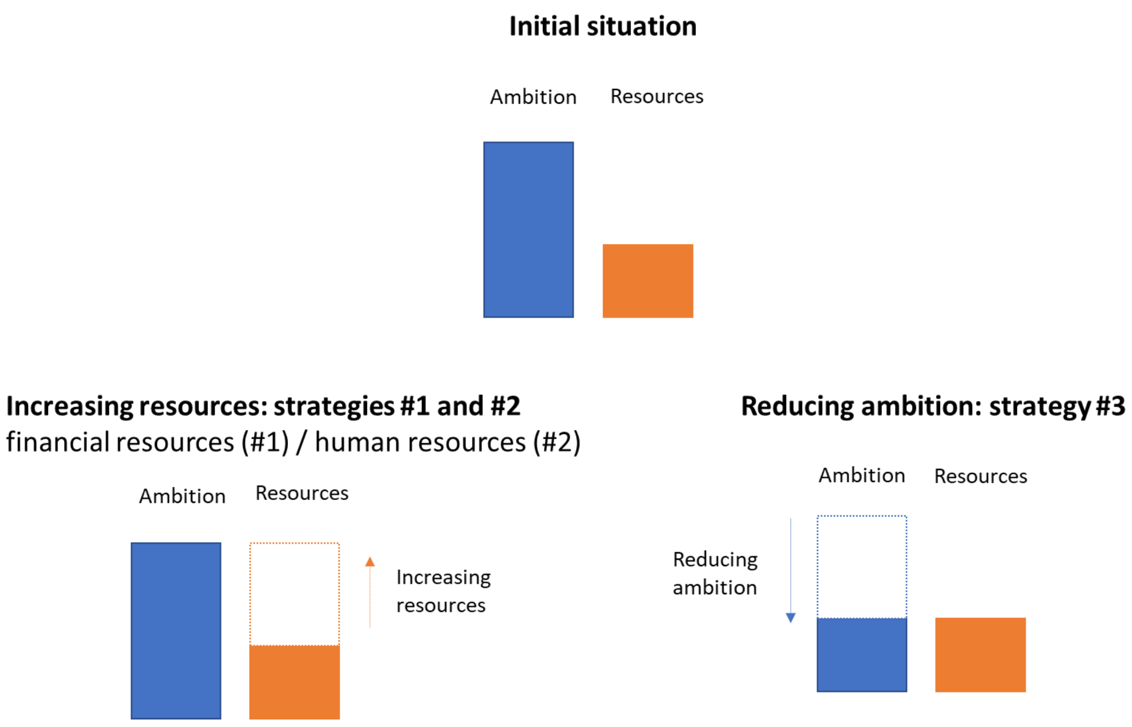

Figure 1: disequilibrium between ambition and resources and strategies of PBC

4.2. First strategy: the acquisition of financial resources to achieve PBC's ambition

The first strategy that the executive team of PBC decided was to obtain financial resources to be in capacity of hiring a staff member on a permanent basis who would run the daily activity of PBC. Indeed, contrary to traditional market services, it is hard to request fees from beneficiaries of PBC as a counterpart for the delivered service. Furthermore, students experienced PBC as a voluntary commitment rather than as a training program and would not pay for it. Finally, when it comes to NPOs, PBC's founders consider that organizations were are not able to pay fees for the consulting projects, given their limited financial resources. As for many other social-purpose activities whose beneficiaries are not willing to pay for the services, the executive team eventually considered that financial resources must then come from a third party. This was even more important as there was no existing funding from well-established institutions for this type of activity, either from public bodies or from private stakeholders, as PBC' activity was innovative.

A strong fundraising effort was thus found necessary to receive funding for PBC. The PBC founders succeeded in raising funds during the first two years that led to the employment of a first staff member in July 2012 on a part-time basis. Thanks to this employee, PBC could run the "PBC program" in a proper way, with adequate briefing of all stakeholders, organization of seminars, preparation and follow-up of consulting projects. However, to support scale and fully achieve the ambition of PBC, the executive team kept seeking additional financial resources to hire extra employees, without meeting success. But more importantly, the development of this strategy led to the emergence of two paradoxes PBC had to deal with.

Paradox A: the acquisition of financial resources requires direct human resources which are lacking

The first paradox (see figure 2 below) relates to the necessity to have human resources who raise money for the purpose of hiring human resources who would undertake the activities of PBC. In fact, fundraising requires time: finding contacts, preparing and meeting potential funders, undertaking administrative assignments, etc. But PBC lacks human resources.

This paradox is well expressed through the failure for PBC to raise money. Although some successes were met during the first two years, PBC failed in increasing significantly funds afterwards. For the actors we interviewed from PBC, this failure can be explained by the fact that founders had little time to devote to it, since they "worked" for PBC in addition to their demanding professional activities. Furthermore, when they dedicated to PBC, they were involved in other time-consuming tasks. It can also be explained by the identity of the people hired to raise the funds. After having met first successes in raising money, in 2013 and 2014 the founders hired professional fundraisers who would have been paid for success. However, this strategy did not work. The executive team realized that fundraising must be done by people directly in charge of PBC such as its co-founders or employees. In other words, to acquire financial resources, a specific type of human resources is needed, and the paradox is that these specific human resources are lacking.

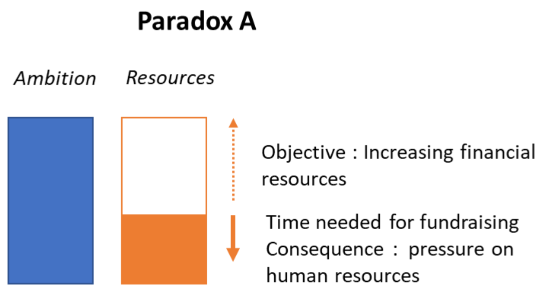

Figure 2 : paradox A

Paradox B: the acquisition of financial resources requires actions that consume resources

The second paradox (see figure 3 below) associated with the financial resource acquisition strategy relates to the necessity for PBC to implement actions that consume resources in turn. It was typically found in three types of actions. The first one relates to business growth. Since the beginning of PBC, the number of students has significantly grown each year. In 2014, the executive team formally decided to scale the activity through the development of activities located in new geographical areas. Growth and regional development were found as ways to increase resources: the executive team considered that the legitimacy of the organization toward funders was based on the size of the activity. However, as the action developed, PBC faced the issue that such growth involves more resources to implement it.

The second strategic action relates to implementing capacity building activities. To strengthen the credibility and legitimacy of PBC, the executive team decided in 2015 to measure its social impact. However, and again, this action put a higher pressure on human resources by requiring more resources, in turn reducing time for fundraising and direct strategic activities. PBC undertook a social impact measurement, but it was developed on a smaller scale than initially planned.

The third strategic action relates to unmet projects promised to funders. To convince funders to support PBC, the organization promised to implement specific actions that would be of appeal to them. However, PBC could not always fulfill the expectations. For example, one foundation accepted to give money to PBC because it was interested by the knowledge center dedicated on the third sector that PBC was supposed to launch. However, as PBC failed in implementing it, the foundation stopped funding PBC, a situation that led to a financial stress for PBC.

Overall, these three examples shed light on the second paradox that arose when PBC decided to look for financial resources: convincing new funders relies on implementing new activities which require human resources that the organization lacks. To solve the paradox, executives either decided not to deliver the promises that were made which eventually led to a lack of funding or spent time on these activities at the expense of fundraising activity. In both cases, the consequence was a failure in the increase of funding.

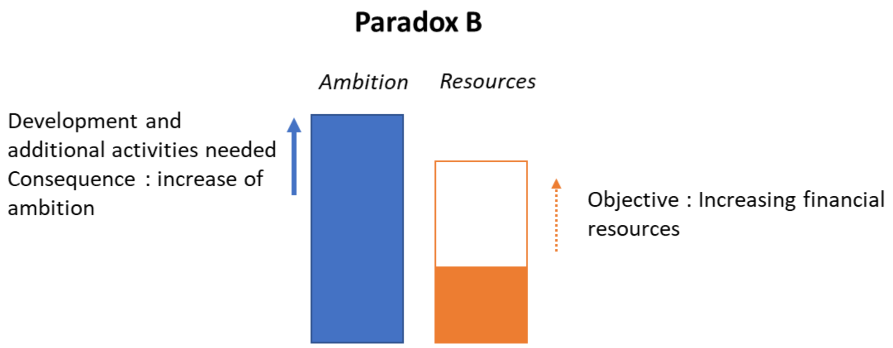

Figure 3: paradox B

4.3. SECOND STRATEGY: THE ACQUISITION OF HUMAN RESOURCES WITHOUT INCREASING FINANCIAL RESOURCES

The second strategy that PBC undertook was to directly acquire human resources. This strategy was particularly fostered since 2015 onward as PBC's executive team acknowledged the failure of financial resource acquisition. This strategy involves two types of action: recruiting and retaining volunteers and increasing the working time of employees without investing in more financial resources. These actions are by no means obvious. Indeed, PBC faces several drawbacks. For the recruitment and retention of volunteers, as PBC is a support structure for other NPOs having a direct impact on beneficiaries or on societal causes, it does not help volunteers easily identify themselves. Moreover, it requires having people with high skills, able to interact with high-level actors. This type of volunteers is quite rare, and many have very demanding and time-consuming professional activities. As we can see, adopting this strategy is very challenging and furthermore raises two paradoxes, as developed below.

Paradox C: maintaining and increasing human resources requires high ambitions

The recruitment of highly skilled volunteering resources raises a first paradox in this strategy (see figure 4 below). Recruiting or retaining volunteers involves motivating projects to have or keep them on board. However, this requires a high ambition that requires resources to be achieved.

This paradox is found in the logic of the strategic decisions through which PBC developed. Growth objectives and innovation projects must meet the wishes of volunteers for whom such an ambition is a central source of motivation to engage themselves during their free time in PBC. Despite tensions on resources, the organization decided to keep ambitious objectives to satisfy the founders and other senior volunteers with the aim of retaining them. However, these ambitious objectives strengthened the tensions as their implementation require human resources that are lacking. Overall, while ambitious objectives have the potential to retain volunteers or attract new ones, these volunteers may have little time to dedicate to PBC and constitute a paradox PBC must tackle.

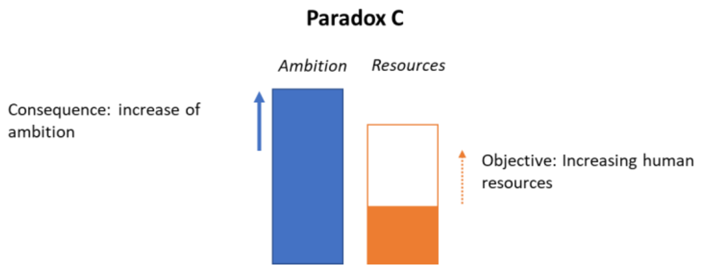

Figure 4: paradox C

Paradox D: increasing employee time without increasing financial resources reduces the ability to acquire financial resources

Increasing human resources without increasing financial resources also led to an increase in working time of the permanent staff of PBC, raising another paradox (see figure 5 below).

To increase the size of the staff with few financial resources, the executive board decided to increase the working time of the employee without increasing its wage in proportion. This change happened in 2016 during the replacement of the employee. As the wage of the new employee was lower, she was less experienced. In the same vein, it was decided to recruit interns and volunteers in civic service contracts in addition to her. Although the recruitment of these people increased the quantity of human resources, it reduced the fundraising capacity of the permanent team and the work on strategic issues. Low experienced employees and civic service volunteers also require more coaching time from the executive board. Thus, by seeking to resolve the lack of resources by relying on what seems on first sight to be an optimization (more time dedicated to the organization with no additional cost), the organization's ability to increase financial resources was reduced.

The two paradoxes related to this second strategy show a vicious circle: the actions undertaken to increase human resources weakened the capacity to raise funds and then led the organization to have difficulties meeting its growth objectives as it focused the leaders on day-to-day operations rather than on development and strategic activities.

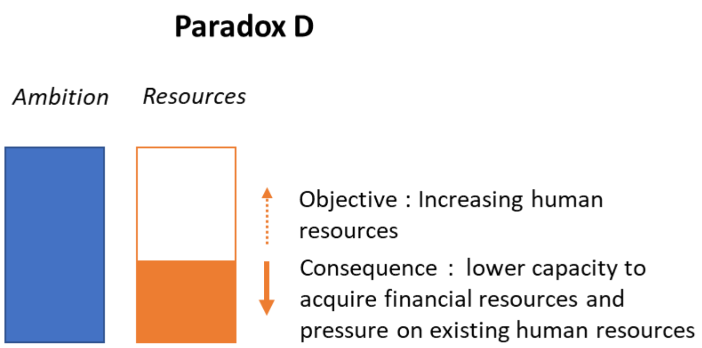

Figure 5: paradox D

4.4. THIRD STRATEGY: REDUCTION OF THE AMBITION AS A PRIORITY

The third strategy that PBC undertook was to reduce its ambition by giving up certain actions with the aim of reducing the number of required resources. The strategy began in 2019 when the regional development was officially abandoned. It reflected the desire to focus on the main program (4-month consulting projects done by graduate students with a coach) and not to develop other support formats for NPOs and/or commitment formats of voluntary students and consultants, as it was suggested during some strategic meetings of PBC. Developing this strategy involved two paradoxes that are developed in turn.

Paradox E: the reduction of the ambition reduces human resources

The first paradox for this strategy (see figure 6 below) can be found at the level of human resources. Reducing the ambition reduces the level of required human resources. However, this situation can also lead to a decrease in volunteer resources. Indeed, as mentioned above, the important ambition of PBC is a lever to attract or retain volunteers. Conversely, when the ambition is reduced, the organization runs the risk of demotivating existing volunteers and not attracting new ones. This situation was experienced by the organization in 2019, when it was decided to abandon regional development. At that time, one of the most involved senior volunteers, the vice-president of the association who devoted a significant amount of his time to PBC, left the association. As the regional development of PBC was one of the main factors of his engagement, the decision to abandon this development led him to disengage completely from PBC. Thus, by willing to reduce the ambition to decrease the pressure on resources, the risk is to reduce existing resources even more.

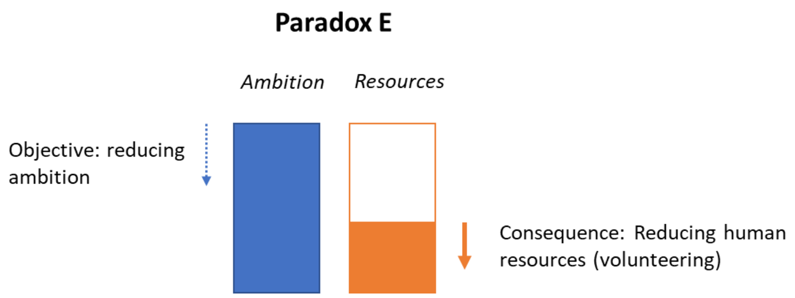

Figure 6: paradox E

Paradox F: the reduction of the ambition reduces the acquisition of financial resources

Reducing the ambition decreases the level of required resources and makes the acquisition or maintenance of financial resources uncertain, which is the last paradox identified (see figure 7 below). As mentioned above, innovation and new projects developments can appear as an important, even decisive, argument to convince funders to support the organization. Thus, the lack of innovation and development of new projects is perceived as a risk for PBC by one of his co-founders as he describes himself: *"if we don't innovate, if we don't evolve, if we don't develop, the association risks being in trouble. PBC was very innovative when it was launched in 2010, but the situation has radically changed since that time: many actors appeared in the topic of pro bono and voluntary commitment. These actors are direct competitors for PBC"*. For the co-founder, these actors are bigger and appear as more innovative than PBC. Thus the strategy of reducing ambition may lead to increase the difficulty to obtain financial resources, and even to decrease existing financial resources if funders assess PBC as an organization which is not innovative enough. The strategy of reducing ambition to fill the gap between ambition and resources threatens the capacity to increase and to maintain financial resources.

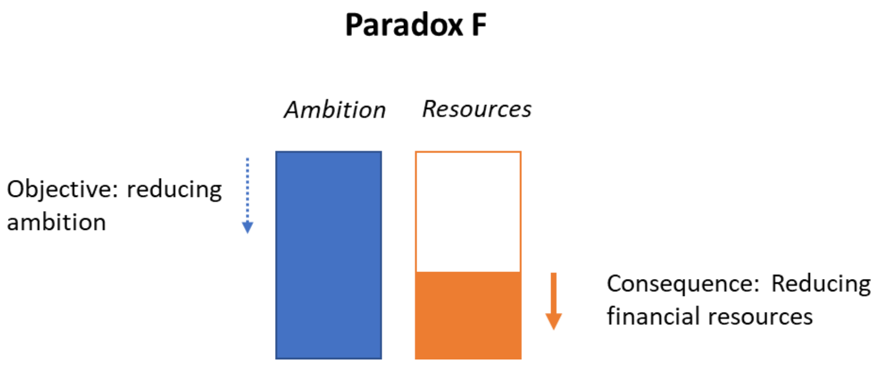

Figure 7: paradox F

5. DISCUSSION AND CONCLUSION

Discussion about resources and funding in nonprofit organization to be added.

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