

MEMORANDUM

To: Dr. Katherine Naff

From: Mikaela Kooiker

Date: February 10, 2009

Re: Upwardly Global—a case of government influence and nonprofit decision-making

The case study *Upwardly Global* presents an entrepreneurial decision-making process whereby Jane Leu identified a gap in government-sponsored services for immigrant professionals and responded by leveraging community stakeholder support to address the needs of immigrant professionals.

Government failure

Although the main immigrant and refugee service providers were operating as nonprofit organizations, their funding sources were not well diversified and instead relied heavily on government aid. This imbalance in funding sources narrowed the accountability structure (Tempel 2003). As a result, government monetary support dictated service provision making the recipient non-profits quasi-governmental agencies with less autonomy for decision-making. The high level of government control lessened the flexibility and agility of dependent nonprofits to change or respond to new needs.

The Federal Office of Refugee Resettlement, based on its founding needs and principles, defined successful program performance (and thus financial support) as quick placement of immigrants and refugees into jobs. The measurement's sole emphasis on calculated outputs (placements) did not match the complexity of the problem and created unintended policy incentives (Rivlin 1971). Nonprofit resettlement agencies competed for federal funding (and survival) by prioritizing quick job placements with little regard for matching appropriate skills to appropriate work, cultural integration, or skill-building.

Entrepreneurial problem-solving

After working within the framework of government and quasi-governmental nonprofit services for immigrants and refugees, Leu noted the gap in services for immigrant professionals. Leu's initial goal was to build a model that eventually could be bought by a for-profit business. She decided to capitalize on the needs of various San Francisco stakeholders—immigrant professionals, companies, successful business people who could act as mentors. By drawing these groups into a network for problem-solving, Leu achieved their commitment and involvement for co-production to create successful community solutions (Goldsmith and Eggers 2004).

Leu's vision and methodology in forming Upwardly Global had many consequences. Upwardly Global's entrepreneurial model necessitated diversified funding, resourcefulness, and elements of "collective efficacy" (Briggs 2008). Leu built an organization that had to manage significantly more risk than her quasi-governmental counterparts. An aspect of Upwardly Global's risk allowed them much more autonomy and flexibility, but also required the organization to be much more responsive and mindful toward the multiple stakeholders involved (Weick & Sutcliffe 2007). Managing responsiveness while staying in touch with its mission, Upwardly Global was able to "enhance its strengths and minimize its vulnerabilities" (Tempel 2003, 34).

Conclusion

In contrast to the quasi-governmental nonprofits that were driven by government incentives and financial support, Upwardly Global autonomy and entrepreneurial approach toward decision-making provided them with the flexibility to adapt, customize, and change to fit the needs of the community and stakeholders.

References

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- Weick, K., Sutcliffe, K. (2007). *Managing the Unexpected: Resilient performance in an age of uncertainty*, 2nd ed. San Francisco, CA: Jossey-Bass.