The Influence of Leadership and Strategic Emphasis on Social Media Use of Regional Nonprofit Organizations

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ABSTRACT

Prior work has established the prevalence of social media as an information dissemination tool for large, national nonprofit organizations. This project adds to that literature by examining the impact of an organization's leadership (executive director background and board influence) and strategic emphasis (customer orientation and financial allocations to social media) on the use of social media for information transmission by regional nonprofit organizations. Insights are gained from leadership at 121 nonprofits and through analysis of 377 days of Facebook data for seven nonprofit organizations. The results suggest that organizations with executive directors who have more experience in the corporate sector and board members who exert greater influence are more likely to utilize social media for information transmission. Greater financial investments in social media actually result in less strategic use of social media, suggesting more investment does not always equate to more effective strategy.

KEYWORDS

Board Influence, Executive Director, Facebook, Information Transmission, Regional Nonprofits, Social Media

INTRODUCTION

Social media is "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content" (Kaplan and Haenlein, 2010). According to Pew Research,[1] in January 2014, 74% of online adults used social media. Data collected in September 2014 showed that 71% of online adults used Facebook, 23% used Twitter, 26% used Instagram, and 28% used Pinterest and Linkedin. Given the widespread use of social media and its continual growth, such platforms provide a viable means of communication for nonprofits.

Prior work suggests the strategic use of technology and social media is affected by the leadership of nonprofit organizations including their executive directors (e.g., Berlinger and Te'eni, 1999) and boards of directors (Nah and Saxton, 2012). Grant Thornton, a global accounting and advisory organization, conducted a study on non-profits and social media use in 2014. The study (Jackson, 2014) indicates that in order for social media to be used effectively by nonprofit organizations, it must be implemented at a strategic level. This has proved challenging for many nonprofits as their senior management often lacks familiarity and expertise with social media. Further, according to the study, social media must be seen as a priority for its effective usage. Most nonprofit organizations use social media as a marketing tool for information dissemination (e.g., Waters, Burnett, Lamm, and Lucas,

2009), rather than as a platform for dialogue or engagement. While a more interactive use of social media platforms may garner greater returns for nonprofit organizations, using the popular medium to share information is still critical given the high usage of sites such as Facebook and Twitter. It allows organizations to spread important news quickly and easily.

This project expands on prior work by examining leadership and strategic drivers of information transmission, through social media, for regional nonprofit organizations. The majority of the studies on social media and nonprofits, to date, have focused on large, national nonprofits featured in lists like the Nonprofit 100 Times, the list of the 100 largest non-educational U.S. nonprofit organizations (Nah and Saxton, 2012) and the Forbes National Charity seal program (Curtis et.al., 2010). These studies provide valuable insights which are applicable to nonprofit organizations that typically have large operating budgets and staff. This project emphasizes nonprofit organizations which serve a regional audience. In doing so, it extends the literature on nonprofits and social media as it offers a lens into the social media usage by smaller entities which are likely to have less financial and human resources. For example, the American Society for the Prevention of Cruelty to Animals (ASPCA) had total revenues of $117, 222,668, 18 directors, and 853 staff members in 2013. Comparatively, the Hill Country Animal League SPCA (in Central Texas) has total revenues of $1,037,651, 7 directors, and 28 employees in the same year. A national organization clearly has many spheres of leadership and influence. However, for regional organizations, the footprints of the executive director and board of directors are likely to be imprinted in most strategic aspects of the nonprofit, including its communications strategy. Thus, this project examines two elements of leadership on information transmission through social media:

1. The career background of the executive director and the
2. Level of influence the board of directors has on organizational strategy. Executive director background and board influence have previously not been studied in this context. In addition, two strategic factors are analyzed:
   a. An organization's customer orientation, for nonprofits, this is the organization's focus on its constituents and
   b. The financial allocations towards social media.

A focus on organizational constituents and dedicated spending towards social media reflect prioritization of social media (Jackson, 2014) which is likely to impact its use for information dissemination.

A survey of leadership at 121 regional nonprofit organizations is conducted to gain deeper insights on executive background, level of board influence, level of customer orientation, amounts spent on social media, and use of social media for information transmission. The survey data is analyzed using regression analysis. In addition, four cases studies are conducted utilizing 377 days of Facebook data for seven, nonprofit organizations. The case studies offer a secondary measure of information transmission which is free from any potential respondent bias. The following section provides an overview of the literature on the adoption and use of social media by nonprofit organizations. Next, hypotheses are posed and related theoretical support is offered. Then a detailed discussion describing the methods used to test the hypotheses, data sample, and analysis of data is provided. This is followed by a section outlining the results of the analysis and their organizational implications. The paper concludes with a discussion of the limitations of the project and areas for future research.

SOCIAL MEDIA AND NONPROFIT ORGANIZATIONS

Adoption and Use of Social Media by Nonprofit Organizations

Researchers have explored various drivers of social media adoption by nonprofit organizations. Nah and Saxton (2012) find that organizations which center on program service revenues, rather than

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