An Analysis of the Societal Role, Impact & CSR Initiatives of the Nation’s Largest Nonprofit

Abstract

This paper examines the societal role, impact and Corporate Social Responsibility (CSR) initiatives of today’s NGOs and nonprofit organizations, with a specific emphasis on the YMCA as a case study. Furthermore, this paper focuses on the history, change in image, organizational structure, strategic plan and CSR aspects of the YMCA’s Door County location in Sturgeon Bay, WI through the execution of personal interviews and website analysis. My analysis of two specific CSR dimensions—community outreach and social cause advocacy—will be presented that include a concluding discussion and description of practical implications drawn to further improve the YMCA’s already successful CSR strategies, and can also be implemented at other similar nonprofit organizations.

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The Young Men’s Christian Association, most commonly known as the YMCA, is the nation’s largest nonprofit community service organization striving to meet the health and social needs of men, women and children in communities throughout the United States. The YMCA is an inclusive organization of individuals joined together by a shared commitment to nurturing the potential of kids, promoting healthy living and fostering a sense of social responsibility (YMCA, 2012). As the nation’s largest nonprofit organization, the YMCA, which began as an evangelical association for young men, has now become a character-development based and life-changing welfare organization seen in almost every city across the United States (Zald & Denton, 1963).

The following report will first present a general analysis of the role of CSR in today’s society, followed by the significance of nonprofit (NGOs) organizations with a specific emphasis on the YMCA.

**Role of CSR in Today’s Society**

Organizations are created to leverage collective resources in pursuit of common goals—leading to an interaction with others inside a larger context called society. Based on their purpose, there exist three kinds of organizations: for-profits, governments and nonprofits. Society exists as a mix of these three types of organizational forms—and each performs a significantly different role, depending on the organization’s motives, mission and stakeholders (any group or individual who can affect or is affected by the achievement of the organization’s objectives) (Werther & Chandler, 2011). This paper will further examine the role of Corporate Social Responsibility within these organizations, specifically nonprofits, as it relates to their overarching existence and future success.

Corporate Social Responsibility (CSR) focuses on two issues: (1) the relationship between a business and the societies within which it operates; and (2) the responsibilities that are inherent on both sides of these relationships. CSR can therefore be defined as:
 “A view of the *corporation* and its role in *society* that assumes a responsibility
 among firms to pursue goals in addition to profit maximization and a *responsibility* among a firm’s stakeholders to hold the firm accountable for its actions. CSR
 has become an integral part of an organization’s business strategy (the way a firm
 goes about delivering its products or services to market) and also a way of maintaining legitimacy of its actions in the larger society” (Werther & Chandler, 2011, p. 5).

Today, CSR occupies a prominent place in the organizational agenda of today’s market environment. More than ever, companies are devoting substantial resources and human capital to various social initiatives—ranging from community outreach and environmental programs to socially responsible business practices. “By engaging in CSR activities, companies can not only generate favorable stakeholder attitudes and better support behaviors, but also, over the long run, build corporate image, strengthen stakeholder–company relationships and enhance stakeholders' advocacy behaviors” (Du, Bhattacharya & Sen, 2010, p. 11). It is crucial that nonprofit organizations also adopt these ambitions through CSR practices as they hold a prominent role in their encompassing communities.

**Role of NGOs Today**

As previously stated, this paper primarily focuses on the role of nonprofits in society with specific emphasis on their CSR initiatives. Nonprofits (sometimes referred to as NGOs) “emerge to do social good with the political will of the profit motive is insufficient to address a society’s needs (Boris, 2006).” These organizations are a vital force of civil society, unique from both government and for-profit businesses. “Nonprofits are voluntary and self-governing, may not distribute profits and serve public purposes as well as the common goals of their members.” Nonprofits play a prominent role as service providers, employers and social cause advocates. Their economic impact and expansion have grown as they increasingly contract with the government and local organizations to deliver a variety of services (Boris, 2006).

Members of the public often disregard the less visible, but vital, role that nonprofits take part in under the name of “civil society”—fostering community engagement and civil participation while also promoting and preserving civic, cultural and religious views. According to Elizabeth Boris of the Center on Nonprofits and Philanthropy, nonprofit organizations exist on the basis of seven activities and/or principles: (1) social capital, (2) civic activities, (3) political activities, (4) religious, cultural and artistic activities, (5) service provision, (6) economic impact and (7) growing influence (Boris, 2006).

In conclusion, nonprofit organizations play a critical role in society, often able to address social needs and issues in meaningful ways. Through effective community engagement, partnering with organizations that share the same agenda and advocating before decision makers, nonprofit organizations ensure that the attention of stakeholders is focused on the needs of the community (Patterson & Radtke, 2009). Nonprofits continue to increase their concerns on advocacy, social entrepreneurship and responsibility, becoming a more influential and crucial part of the communities they reside in.

 **The Role of CSR in NGOs**

In a perfect world, CSR means that a business takes accountability to ensure it adheres to legal, ethical, environmental and international standards across its operations. Investors and the general public are attracted to companies who show concern and support social responsibility. It shows concern and reflects good management, therefore fostering a positive reputation among stakeholders. As a result, many for-profit organizations are partnering with NGOs to take part in a larger CSR initiative with the goal of contributing to “the greater good.” This truly is a win-win; in which both sides benefit from focusing on being socially responsible. For-profit organizations gain a positive reputation among in society for appearing as a caring, responsible business with the goal of serving the community and making a difference, apart from just profit maximization. On the contrary, nonprofits gain brand awareness for partnering with a larger corporation or local business. This also opens the opportunity for these organizations to receive funding from various campaigns or donations as a result of a partnership. Furthermore, nonprofits benefit from a for-profit’s CSR initiative through employee matching gift programs and employee volunteer grant programs. These programs, which vastly increase the public good corporations are doing, are vital to nonprofit organizations because they provide funding and volunteer hours (Boris, 2006).

Focusing specifically on CSR within their business model, nonprofit organizations design community outreach initiatives and social cause campaigns that align with achieving their overall vision (why the organization exists) and mission (what the organization will do to achieve its vision) (Werther & Chandler, 2011). For profitable businesses and corporations, CSR is necessary to positively impact stakeholders with the hopes of enhancing trust, relationships, engagement and therefore improve business processes to yield greater overall sustainable impact (Boris, 2006). This is equally important to nonprofit organizations. Furthermore, NGOs use CSR initiatives to create a strategic plan—an annual document, partially seen below in Figure 1.0, stating the organization’s mission, vision, focus, values, priorities and long- term goals.

**Figure 1.0 The Family YMCA Strategic Plan 2012-2015**



**Figure 1.0 The Family YMCA Strategic Plan 2012-2015**

**Case Study: The YMCA**

In order to gain a deep understanding of the role of CSR in nonprofit organizations, I have chosen the YMCA to be presented as a case study with the incorporation of previous research and primary sources utilized, including the execution one-on-one interviews and analysis the organization’s website. The following will present an analysis of this organization’s image, mission, societal impact and CSR initiatives that have made the YMCA both a vital and influential member of its residing communities.

**History.** The Young Men’s Christian Association (YMCA) is the nation’s largest nonprofit community service organization striving to meet the health and social needs of men, women and children in communities throughout the United States. The YMCA is an inclusive organization of individuals joined together by a shared commitment to nurturing the potential of kids, promoting healthy living and fostering a sense of social responsibility (YMCA, 2012).

Starting as an evangelical association for young men, the YMCA has become an active, crucial member of society found in cities all over the world. The YMCA has shown the remarkable ability to adapt itself to differing community needs while expanding its membership base. Where originally it only served young men, it now serves both sexes and all age groups. According to a 1963 study done by Dr. Mayer Zald of Cornell University, “the key to the successful transformation of the YMCA is the shift from its emphasis on religious proselytization to its emphasis on goals of character development. Once this change occurred, new programs could be instituted within the framework of these goals and legitimated by them to meet the shifting demands of clientele” (Zald & Denton, 1963). Although the YMCA has shifted from a primarily religious-based institution to a more public organization focused on physical, intellectual and social development, its religious roots are still evident in the organization’s mission: “To put Christian principles into practice through programs that build healthy spirit, mind and body for all” (Door County YMCA, 2010).

The following case study will primarily focus on the CSR initiatives represented in the YMCA’s Door County location in Sturgeon Bay, Wis. The Door County YMCA began running programs in 1984 and has continued to be an integral part of the Door community. In 1986, the YMCA opened in downtown Sturgeon Bay and has since grown and developed within this area, providing sound programs and positive alternatives to over 7,100 members annually at two program centers, providing programming to one in three residents in Door County (Door County YMCA, 2010).

**Operational Background.** The YMCA is nonprofit organization that is not funded by the government, but supports itself through charitable contributions, membership dues and program fees. Local branches receive support from a wide variety of sources, with members being the largest group. Individuals and families also make annual contributions to preserve the organization that serves them well. The YMCA holds a private endowment fund designed to provide additional revenue for ongoing business operations and to assure that the organization does not deny services to anyone because of their inability to pay (M. Deprey, personal communication, December 4, 2013). Unfortunately, these funds are not always sufficient enough to ensure financial stability. YMCAs around the country have been forced to close down or deny engagement in a number of communal campaigns in result of insufficient funding. Recent articles suggest this has been due, primarily, to the recent economic recession. This is an often traumatic event for local residents who utilize the YMCA’s various services or who view the organization as a place of refuge (haven) for the community (C. Webb-Miller, personal communication, December 4, 2013).

The YMCA’s Board of Directors, working through the organization’s branch finance committees, oversees all aspects of the YMCA’s finances. The YMCA branch boards and senior staff develop an annual budget with is then approved by the organization’s Association Board. The board’s CEO, Finance Director and Branch Directors oversee daily financial transactions and report regularly to volunteers, independent auditors and compliant agencies. Funding for CSR initiatives, such as the YMCA’s annual Strong Kid’s Campaign, comes from the generosity of local communities, members, dedicated donors and charity events.

**Operational Structure.** In the United States, the YMCA is comprised of a national resource office and more than 2,600 YMCAs in 10,000 communities across the country. The Y engages nine million youth and twelve million adults in 10,000 communities across the United States while serving more than 45 million people in 124 countries. Branch organizations across the nation play an integral role in strengthening the leadership and youth programs of the Y around the world. The YMCA, as a whole, is led by a national board of directors and executives officers. Each branch of the YMCA throughout the nation is also led by a board of directors and executive officers who focus on their specific community (YMCA, 2012).

 **Dimensions of CSR.** This section will describe the CSR strategies incorporated within the culture and vision of the YMCA. For this organization, CSR can be thought of as a core competence of the firm—drawing on resources and capabilities that are valuable, rare, difficult to imitate and nonsubstitutable. The development of these competencies presents the firm with the potential to differentiate itself from its competitors and build a sustainable competitive advantage (Werther & Chandler, 2011). The YMCA differentiates itself as a unique, but crucial member of the community it resides in by utilizing two core CSR initiatives: Community Outreach and Social Cause Advocacy. These two strategies incorporate several various CSR dimensions that contribute to the YMCA’s growing societal influence.

 ***Community Outreach.*** A key priority for a socially responsible business is to develop and maintain strong and mutually beneficial relationship with its community. The YMCA takes an active interest in community well-being, resulting in formulation of positive community support, loyalty and good will. This is often referred to as building a “social license to operate,” an importance business objective for any organization (Du, Bhattacharya & Sen, 2010).

 Businesses, like the YMCA, engaging in community involvement typically conduct outreach to the community “aiming to prevent or solve problems, foster social partnerships and generally contribute to the community quality of life.” They also participate in community relationships to help improve their business by getting valuable communal and stakeholder input (Du, Bhattacharya & Sen, 2010). The YMCA successfully leverages its strong relationships with the community in order to partner with other local businesses to put on events all over the county. One example of this is when the Door County YMCA partners with businesses like the Door County Memorial Hospital and various state parks to help in organizing various 5K runs or half-marathon run—hoping to get families involved in being active (Door County YMCA, 2010).

 A second example of community outreach the YMCA has successfully implemented is partnering with the Door County Promoting Access to Help (for families with special needs) organization (P.A.T.H.) and the Boys and Girls Club to provide free meals for kids all summer long. This shows the YMCA’s commitment to the community in supplying a living necessity that is not always easily attainable to low-income families. No income or registration is required for kids under 18 to receive meals, showing the Door County YMCA does not deny community citizens based money or lack of organizational membership (Door County YMCA, 2010).

 A final example of community outreach is the YMCA’s dedication to volunteerism. As the leading nonprofit for youth development, healthy living and social responsibility, the Y works side-by-side with local businesses and families every day to make sure that everyone, regardless of age, income or background, has the opportunity to learn, grow and thrive. To achieve this mission, the organization relies on the commitment of volunteers to bring about lasting personal and social change (YMCA, 2012).

 Not only do these examples of community outreach show the YMCA’s dedication to standing as an important member of society, but also shows its commitment to investing in the community. This relates to the term “corporate citizenship”—an enduring commitment to working to fulfill public responsibilities and to serving the needs of people in communities worldwide. Businesses, including nonprofits, aim to create higher standards of living and quality of life in their residing communities (Crane & Matten, 2007). The YMCA also demonstrates this dedication through its role as a social advocator.

 ***Social Cause Advocacy.*** Through advocacy at the local, state and federal levels, the YMCA is bringing families safe and affordable child care and afterschool options; making healthy choices available in communities to help prevent chronic disease; and ensuring that this organization has the ability to be a resource for healthy living, youth development and social responsibility in the communities it serves.

 Furthermore, the YMCA is extremely dedicated to bringing the best programs possible to its members. At the Door County YMCA, in particular, provides programs and workshops that advocate social causes focused on health, giving members the opportunity to better themselves. Examples of these programs include: LiveStrong (a small group exercise and movement program for cancer survivors), Personal Training, Weight Watchers and other programs dedicated to helping members achieve their weight loss goals (such as the Holiday Trimmings Club), Nutrition Counseling, a Diabetes Prevention and Management Course (statistic shown above in Figure 2.0), and Freedom from Smoking (helping smokers improve their quality of life) (Door County YMCA, 2010).

**Figure 2.0 YMCA Diabetes Prevention Program**

On the macro level, the Door County YMCA is involved in multiple national campaigns throughout the year. The most prominent example is the Strong Kids Campaign, the organization’s largest and longest running annual campaign, occurring from the beginning of February to the end of May. This campaign, which began during the Door County YMCA’s first year, is dedicated to raising funds to support much-needed financial support for children, teens and families throughout the community who are unable to afford programs or the full cost of membership. This campaign aligns perfectly with the organization’s mission to build a strong community through promoting an active, healthy lifestyle (Door County YMCA, 2010). All of the money raised for Strong Kids stays at the local YMCA to help individuals and families right in Door County. In 2013, through the success of the campaign, the Y was able to assist more than 1,800 individuals with financial aid after raising approximately $500,000 (C. Webb-Miller, personal communication, December 4, 2013).

 A further example of the organization’s campaigning at the national level is the annual Healthy Kid’s day, a YMCA initiative that is supported by leading health organizations and nationally-known companies. Each year in April, more than 600,000 children and families gather to celebrate the Annual YMCA Healthy Kids® Day—the nation’s largest health day for kids and families—at more than 1,800 YMCAs across the United States. This initiative encourages members to come together as a community to enjoy family activities and health giveaways to encourage children and families to adopt behaviors that support a healthier lifestyle. In 2008, the national YMCA introduced families to a new partnership, funded by Eli Lilly and Company, known as the Healthy Family Home—“a way for families across America with young children to assess and modify their home behaviors and environments to help support improvements in health and well-being. This YMCA initiative has been a defining force in the organization’s dedication to social welfare, community engagement and changing lives (YMCA, 2012).

**Discussion & Implications**

“For nearly 160 years, YMCAs have responded to critical social issues by developing initiatives and programs that help improve the physical, emotional and spiritual health of millions of Americans from all backgrounds and in all types of communities,” stated Neil Nicoll, President and CEO of YMCA USA. “We understand that many Americans desire a healthier lifestyle. Whether at YMCA facilities, out in the community or in their own homes, we want families to know that the YMCA can help them get started” (YMCA, 2012).

Today, the Young Men’s Christian Association (YMCA) stands as one of the most influential and largest nonprofit organization in the United States. Through advancing its brand image and cultivating its countless CSR initiatives, the YMCA continues its commitment to strengthening communities through youth development, healthy living and social responsibility. This organization is striving to revitalize its image in changing the way stakeholder communicate to further focus on the life-long benefits on becoming involved with the YMCA. This will alter the way societal members view the YMCA, so the organization can be seen as a vital communal lifestyle resource and refuge, rather than just a workout center while continuing to adhere to its original mission—“to put Christian principles into practice through programs that build healthy spirit, mind and body for all” (Door County YMCA, 2010).

As seen through the CSR dimensions and examples of Community Outreach and Social Cause Advocacy, the YMCA is a unique nonprofit as it goes beyond simple operational fundraisers and strives to make a significant impact in its residing communities. The organization’s community outreach initiatives are used as strategies to build strong relationships with local businesses and community members, creating brand awareness and influence. The YMCA has a social cause advocate raises awareness of important health-related issues and aids members in making healthy lifestyle choices and changes. Relating to the Annual Healthy Kid’s Day, the Y launched “Activate America” as a response to our nation’s growing health crisis. The goal of this response is to improve the health and wellness of Americans by equipping all of the nation’s YMCAs to become more effective in: (1) helping children and youth develop good health habits, (2) reaching adults who have been unable to sustain a commitment to healthy living and (3) serving racial, ethnic and social groups at greatest risk. Within the organization, the YMCA is influencing and motivating health seekers and other stakeholders to make positive changes in their pursuit of well-being, while outside the organization, stakeholders are advocating this concern to help create and sustain healthier communities (YMCA, 2012).

Today, CSR has become a top priority for businesses all over the world with the goal of building and maintaining positive relationships with the societies in which they interact. CSR requires the inclusion of all stakeholder and constituent groups that maintain an ongoing interest in the organization’s operations. Furthermore, CSR describes how organizations, including nonprofits, go beyond the legal obligations (making a profit) to manage the impact they have on the environment and the larger context of society (Werther & Chandler, 2011). In particular, nonprofit organizations, like the YMCA, have now become a defining force in society and are viewed as a civic necessity. There is no doubt that these few, but powerful organizations will continue to focus their mission on the concerns on advocacy, social entrepreneurship and responsibility through the continuous development of various CSR initiatives.

 This report has proven that *corporate* social responsibility can no longer relate specifically and appeal only to large, well-established, powerful corporations. *Organizational* Social Responsibility is both evident and necessary in all societal institutions, and nonprofits align these initiatives with their organizational strategies to support their mission, and effectively utilize them in gaining a more prominent, influential role within communities all over the globe. These organizations, in particular, are continually narrowing the gap between being strictly a for-profit business or being a socially responsible establishment in society.

**Practical Implications.** After completing a thorough analysis of the role of CSR in nonprofit organizations and the current CSR initiatives implemented by the Door County YMCA, I conclude that this organization has effectively integrated socially responsible strategies that align with its mission. However, I have identified different areas where the YMCA could improve in the communication and engagement of its already successful CSR strategies. Here are five practical implications for the YMCA and other similar nonprofit organizations:

***Promote Stakeholder Advocacy.*** According to Werther and Chandler, stakeholder advocacy promotes CSR behavior. It is crucial for the various YMCA stakeholder groups (members, employees, volunteers, business partners, other branches) to become advocates for the YMCA’s CSR initiatives. This will aid in creating brand awareness and will give the organization more incentive in continuing to implement CSR-based programs, campaigns and partnerships (Werther & Chandler, 2011).

***Leverage current CSR practices and community relationships to engage the public and revitalize new image.*** In order to no longer be seen as just a general-leisure spot or workout facility, the YMCA needs to leverage its core competency as a communal refuge while expanding on its CSR practices to revitalize a hopeful image. Partnering with members of the community and other local businesses will engage stakeholders to become involved in the organization’s CSR initiatives and serve as advocates, promoting the Y’s new image.

***Engage in more community partnerships with local businesses and enhance existing corporate relationships to benefit both parties.*** Creating partnerships is one of the main ways in which the YMCA can gain brand awareness, form sponsorships, and attract potential members and donors. Due to the increasing importance of CSR in today’s society, local businesses and corporations are more likely to partner with nonprofits in order to enhance brand image and stakeholder support. As a result, it is a win-win for both the nonprofit organization and the partnering for-profit business. The YMCA needs to take advantage of its positive relationship and reputation among the community to continue to form new partnerships.

***Continue to enhance and advocate an open culture to welcome and promote diversity.*** Although the YMCA has grown significantly from an organization meant strictly for Christian men, the organization’s mission still incorporates religious principles. In order to increase membership and prospective stakeholder increase, the Y must continue to promote an open culture, welcoming all people of different race, gender and religious background.

***Generate more communication of CSR initiative to raise awareness through the creation of a CSR officer position.*** The creation of a CSR officer position will generate more communication and awareness of the organization’s projects related to CSR and community involvement. This person would serve as a liaison between the Door County YMCA location, local businesses, stakeholders and other organizational branches in the promotion of CSR behavior and initiatives.

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