

**Nonprofit Organizations in an Age of Uncertainty: A Study of  
Organizational Change**



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**Nonprofit Organizations in an Age of Uncertainty: A Study of Organizational Change.**

Joseph Galaskiewicz and Wolfgang Bielefeld. New York: de Gruyter, 1998. 290 pp. \$49.95, cloth; \$23.95, paper.

This monograph applies sociological theories of organizations to nonprofit organizations. It develops and tests a three-legged theory of organizational change, one that uses ideas from social-network analysis to bridge the gap between population-level selection theories and organization-level adaptation theories. The book has a simple structure: two chapters to introduce the research program, three chapters of empirical results, and one concluding chapter. I will start with a chapter-by-chapter evaluation, and then I will assess the book as a whole.

Galaskiewicz and Bielefeld begin, in chapter 1, by summarizing the field of organizational sociology and sketching their own integrated theory of organizational change. Then they describe the variety of nonprofit organizations and do a very able job of defending their decision to study nonprofits using sociological theories of organizations. Their key insight is that organizational scholars can bridge the chasm between selection and adaptation theories, which operate at very different levels of analysis (the population level for selection theories and the organizational level for adaptation theories), by considering organizations' niches. They offer one way to make the predictions of selectionist and adaptationist theories of organizations contingent upon organizational context. Thus, in a wonderful paradox, they use ideas from the static theories of social networks to generate a more nuanced dynamic theory of organizational change. In their three-legged theory of organizational change, social networks constitute both opportunities for and constraints on change. The only concern I had—and this is purely a matter of taste—is that in their theory-building exercise, they seek to be comprehensive rather than parsimonious. Thus, I found unsettling the rather complex figure illustrating their theory.

Chapter 2 offers a rich description of the research site (nonprofit organizations in Minneapolis–St. Paul from 1980 to 1994), an overview of the economic, political, and cultural milieu, and the research design. There are two principal sources of data: (1) multiple cross-sections (stratified random samples) of public, nonreligious nonprofits in 1980, 1984, 1988, and 1992; and (2) a panel study of the organizations in the 1980 cross-section, which were revisited in 1984, 1988, 1992, and 1994. Data were gathered using a variety of methods: perusal of archives, face-to-face interviews, and mailed/telephone surveys. This chapter would be useful in a doctoral seminar in research design because it makes clear how painstaking it is to conduct good longitudinal research. This chapter also offers cautions for students who sometimes tend, brashly, to bite off more than they can chew.

Chapter 3 reports Galaskiewicz and Bielefeld's analysis of the growth and decline of Twin Cities nonprofits, in terms of human and financial resources, as a function of organizational niche characteristics, executive tactics, and organizational characteristics. The contribution of this analysis is not the

development or testing of any single hypothesis, since most hypotheses are derived in a straightforward fashion from received theory. Instead, the contribution of this analysis is the authors' skill at combining predictions from multiple perspectives and testing them in a single empirical setting. One downfall of this analysis is a failure to confront and reconcile inconsistencies between the selectionist and adaptationist views of organizational change, in particular, contradictory predictions concerning the efficacy of various tactics managers could employ. Another concern is that their logic in a few places is incomplete; for example, they present two feasible and opposing stories about the relationship between managerial actions and the growth and decline of young versus old organizations and then put forward a formal prediction based on one story without explaining their choice.

Chapter 4 focuses on the middle part of the authors' theory of organizational change. It investigates how nonprofits' positions in exchange networks influence their use of managerial, political, and retrenchment tactics. The analysis has a nice logical structure: a contest among resource-dependence, ecological, and network theories. My only concern with this chapter is that Galaskiewicz and Bielefeld ignored two lines of existing research that could have deepened their analysis and may have enabled them to confront some of the inconsistencies among the three theoretical perspectives. Some of their ideas are similar to those incorporated in Strang and Tuma's (1993) network-heterogeneity model of diffusion, but Galaskiewicz and Bielefeld seem to be unaware of that model. They also ignore a long tradition of thinking about problem-induced search, harking back to Cyert and March (1963), that predicts well-performing organizations will be unlikely to change their tactics.

Chapter 5 is a fascinating inquiry into the nature of organizational growth and contraction for nonprofits. The authors clearly care deeply about understanding this outcome in their particular context. Despite this, the analysis is flawed because many predictions are not entirely convincing; for example, the authors once again present two feasible and opposing stories about the relationship between decline and centralization of decision making, then choose one story over another without justifying their decision. Moreover, each hypothesis is presented in isolation from all others, and contradictions between pairs of hypotheses are ignored; for example, they propose both a main-effects relationship between decline and centralization and an interactive relationship, with level of competition being the contingent factor that determines the direction of the relationship. The empirical results reflect these logical flaws: there is, as the authors themselves admit, very limited support for their hypotheses. Chapter 6 then summarizes the theory and empirics presented in chapters 2 to 5, reorganizing the contents of these chapters by theoretical tradition. This chapter also suggests where future research might go.

Overall, this book is a monograph, a long treatment of a particular phenomenon, rather than a work of sweeping scope. As such, it is a well-crafted, workmanlike effort. This book is not beautiful but it is serviceable—a Ford, not a Porsche.

## **Book Reviews**

After reading it, I can answer yes to two questions that we should ask of the things we read: Did I learn anything? and Did this work influence my thinking? Reading this book has indeed taught me something and influenced my thinking about organizational change. It has prompted me to think more concretely about how organizations' contexts affect their likelihood of undertaking change and, once they attempt change, their chance of successfully completing it without dying in the attempt. My own ideas about organizational change now have to stretch to incorporate three sets of factors that moderate organizational adaptation and survival: (1) the atomistic characteristics of organizations; (2) the features of the niches organizations inhabit; (3) and the positions that organizations hold in their niches (their network ties and their characteristics relative to other niche inhabitants). So, despite its flaws, this book has taught me something important about organizational theory in general and the phenomenon of organizational change in particular. I urge others to read this book and, learning from the analyses reported here, to develop a more tightly woven theory of organizational change.

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