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# Communication Strategies as Drivers of Nonprofit Donor Retention

Tamieka Jameson, DBA

## Abstract

Retaining loyal and engaged donors is a critical component of sustainability for nonprofit organizations. The purpose of this single-case study was to explore communication strategies used by senior leaders of a nonprofit organization. The findings of this case study may ensure leaders' ability to serve and improve their communities by engaging at-risk youth in programs and activities designed to help them acquire performance arts skills, develop leadership skills, and improve their lives.

## Problem

Nonprofit organizations are tax exempt associations, charities, cooperatives, and other voluntary organizations formed to further cultural, educational, religious, professional, or public service objectives.

Nonprofit donor retention rates in the United States have decreased since the financial crisis of 2008 (Wenjun & Monit, 2014).

40% of nonprofit donor attrition in the United States attributed to the lack of effective communication (Holloway, 2013).

The **general business problem** is that some nonprofit organizational leaders do not communicate effectively with donors, resulting in a loss of funding.

The **specific business problem** is some senior leaders of small nonprofit organizations lack communication strategies to increase donor retention.

## Purpose

The purpose of this qualitative single case study was to explore the communication strategies the senior leaders of a small nonprofit organization use to increase donor retention.

## Relevant Literature

### Organizational Communication

- The communication process of transferring information from the sender to the recipient prompts action from the recipient (Shannon & Weaver, 1949).
- Organizational communication has a direct effect on organizational effectiveness (Raina & Roebuck, 2016)

### Leaders' Communication Strategies

- Nonprofit leaders should implement communication strategies that broaden the understanding of nonprofit communication management beyond fundraising, donor relations and social media practices (Fisher & Liu, 2012)

### Organizational Learning

- It is important for organizational leaders to use single- and double-loop learning in order to learn and reason about their own behavior (Argyris, 1982).
- The cycle of continuous improvement (plan, do, study, act) is a methodical cycle of stages for acquiring valuable learning and knowledge to enable (Deming, 1982). continual process improvement

### Donor Satisfaction and Retention

- The way in which leaders of nonprofit organizations communicate has a direct effect on donor retention (Boenigk & Helmig, 2013).
- Leaders of nonprofit organizations could enjoy significant financial gains from increased attention to activities that encourage long-term commitment by donors who are familiar with their work (Barber & Lewis, 2013).

## Research Questions

**What communication strategies do senior leaders of small nonprofit organizations use to increase donor retention?**

## Procedures

### Semistructured Interviews

- Interviewed 3 senior leaders of client organization
- Interviews took place once a week for 30 minutes over a 40 week period
- Interview questions were embedded in the 2015-2016 Baldrige Excellence Framework and Criteria

### Documentation Analyzation

- Reviewed and analyzed organizational documents
  - Customer surveys
  - Annual reports
  - Financial statements
  - Strategic plan
- Reviewed data collected from *Guidestar*, an online information service specializing in reporting on U.S. nonprofit companies

### Theoretical Coding

- Identified developing themes and relationships before collecting topic-related data
- Coded participants by length of employment

## Data Analysis

A content analysis was used for coding and identifying emerging themes. Then data were grouped into categories aligned with the Baldrige Excellence Framework and Criteria to describe the phenomenon.

## Findings

Many significant elements throughout this research study specified the need for nonprofit organizational leaders to implement effective communication strategies. This study also specified the importance of organizational leaders' implementation of single- and double-loop learning as a process to ensure continuous improvement.

Participants' perceptions were on both positive and negative aspects of the organizations' leadership, strategy, customers, measurement, analysis, and knowledge management, workforce, and operations.

Leaders need to implement organizational learning and organizational communication strategies as methods for improving relationships with donors.

## Limitations

Only included experiences from only one nonprofit organization in Minneapolis, Minnesota.

Limited to only a small nonprofit organization with a small sample of participants.

## Conclusions

Nonprofit leaders' models of effective communications strategies and processes to improve donor engagement helps to ensure leaders' ability to serve and improve their communities by engaging at-risk youth in programs and activities designed to help them acquire performance arts skills, develop leadership skills, and improve their lives.

### Recommendations for Further Study

- Multiple-case study for future research
- Include research on both small and large nonprofit organizations for data, strategic, and financial comparisons
- Use the mix-methods design for research
- Increase the sample size (Consider including donors as participants of future studies on donor retention)

## Social Change Implications

Nonprofit organizations play an important role in society, providing necessary programs and services. The improvement of organizational processes strengthens leaders' ability to serve and improve their communities.

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