Initiative on the New Economy Project

Innovative Services and Voluntary Organizations: Executive Summary Report

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Copies of the Innovative Services and Voluntary Organizations: Executive Summary Report” were distributed to all of the groups and organizations who participated in this project in Mackenzie, Wood River, Tweed, and Springhill.

Copies of the larger Innovative Services and Voluntary Organizations: Project Final Report were distributed to local government offices and public libraries in Mackenzie, Tweed, and Springhill. In Wood River, copies of the report were distributed to the local government office and the public library in Lafleche. Additionally, copies have been posted on Greg Halseth’s website (http://web.unbc.ca/geography/faculty/greg) and are also available on the Building Capacity in Rural Canada project website (http://nre.concordia.ca).

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We would also like to thank the research staff at the University of Northern British Columbia, including Shiloh Durkee and Chelan Hoffman. At Mount Allison University, we would like to thank David Bruce and Lindsay Lyghtle. At the University of Guelph, we would like to thank Ellen Wall and Leigh Golden. At the University of Saskatchewan, we would like to thank Diane Martz and Ingrid Brueckner.

Greg Halseth and Laura Ryser
University of Northern British Columbia
Prince George  2006
EXECUTIVE SUMMARY

The research project on **Innovative Services and Voluntary Organizations in Rural and Small Town Places** was conducted through the Canadian Rural Revitalization Foundation (CRRF) by members of its New Rural Economy (NRE) team. The project was funded by the Social Sciences and Humanities Research Council’s Initiative on the New Economy program. Innovative service providers and voluntary organizations have become important in coping with restructuring stemming from the downsizing and closure of industries or services in rural and small town places. These places tend to be more vulnerable than their urban counterparts since their economies are less diversified and often controlled by decision-makers outside of these places. With the loss of jobs, there is an increase in the demand for welfare and support services. As well, family and social relationships are strained. All of these will put pressure on local services during periods of economic and social change.

However, at the same time that economic restructuring is taking place, services are being withdrawn. Such closures have profound impacts on the most vulnerable residents of the community, such as senior citizens or those living in poverty, while at the same time they can affect the very viability of rural places. Service restructuring may mean that citizens must travel to other places to access services, and this can be particularly difficult for residents who do not have access to transportation. If residents of rural and small town places wish to retain these services, they will have to find new ways to have them delivered. Within this context, voluntary organizations and innovative service providers have emerged to fill the void of services that may not otherwise exist. The purpose of this research is to explore how innovative service providers and voluntary organizations contribute to local capacity and community development, and how they sustain themselves during periods of transition.

1.0 Methodology

The sites participating in this project provide representation from regions across Canada. In selecting these sites, a number of factors in the NRE sampling framework were considered including low versus high exposure to the global economy, fluctuating versus stable economies, non-adjacent to metro areas versus metro adjacent, high capability versus low capability, and leading versus lagging. The study sites were Mackenzie, British Columbia, Wood River, Saskatchewan, Tweed, Ontario, and Springhill, Nova Scotia.

Researchers visited the 4 sites to conduct interviews with key service providers and voluntary organizations. While forty in-depth interviews were conducted in 2003, thirty-six interviews were conducted in 2005. The smaller sample reflects the closure or amalgamation of some of the services that we were tracking. During the Summer of 2004 we also made brief contact with the participating organizations.
Data were collected to examine:

- background information on the organization,
- organization’s structure,
- demographics of the organization,
- targeted clientele of the organization,
- logistical operations,
- changes to service delivery,
- networks and relationships,
- social capital and social cohesion,
- funding,
- general organizational profile,
- use of technology, and
- personal information of the interviewee.

2.0 Definitions

**Voluntary Organizations**

Numerous definitions have been used to describe voluntary organizations. Characteristics of voluntary organizations may include organizations that are organized, non-governmental, non-profit, self-governing, and voluntary (unpaid). Similarly, Marshall (1999) concludes they generally serve a public benefit; depend upon volunteers, at least for their governance; obtain financial support from individuals; and experience limited direct control by governments, other than in relation to tax benefits. This definition excludes universities and hospitals that might have large numbers of volunteers, but includes organizations that may not qualify for charitable status, such as recreational associations, service clubs, and advocacy groups. For the purposes of this report, voluntary organizations will be defined as those to which “people belong to part-time and without pay, such as clubs, lodges, good-works agencies and the like, and which an individual joins by choice” (Sullivan and Halseth 2004: 339).

**Innovative Service Providers**

Previous studies have described innovative services as organizations that bridge social capital primarily through networking, partnerships, and the application of technology that are not necessarily constrained by place. There are many definitions of innovation. Hage (1999: 599) defines organizational innovation as “the adoption of an idea or behaviour that is new to the organization.” For Van de Ven et al. (1999), innovation is more encompassing and includes the process of developing and implementing new ideas. It may also combine old ideas, schemes that challenge the present order, or a unique approach that is perceived as new by the individuals involved, regardless of whether or not the idea may exist elsewhere. Innovation may include a new product, a new service, different administrative practices, new technology, new behaviours, knowledge, or different strategies.
Social Cohesion

Social cohesion and social capital are two concepts that help to explore the successful developments of innovative services and voluntary organizations during periods of change. Service pressures have emerged at the same time that communities face increased service demands. In response, relationships and routine social interaction have provided an important foundation to build networks, to help citizens develop social cohesion, and to respond collectively to economic, social, political, or environmental stresses.

In a rural and small town context, service providers and voluntary organizations, such as post offices, seniors’ centres, recreational or cultural organizations, and schools, provide focal points for citizens to engage in routine social interaction. These networks, and the forms of trust they generate, may then be mobilized as social capital to help communities cope with social and economic stressful events. In this context, innovative service providers and voluntary organizations have emerged from these networks to fill service gaps and to help communities cope with social and economic change.

Social Capital

Social capital refers to social assets, either with respect to the source of investment or with the goods or services produced. Social capital is treated either as stock (networks, institutions) or flow (social participation, collective action) components. Social capital also encompasses other features of social organization, “such as networks, norms and trust that facilitate coordination and cooperation for mutual benefits” (Korschning *et al.* 2001: 81). This foundation of trust and prior relationships is thus a resource drawn upon to accomplish things for these individuals or groups such as the provision of services to meet local needs.

3.0 Building Local Capacity

Organizational Structure

Organizational structures are an important foundation for providing stability to innovative service providers and voluntary organizations. Such structures play an important role in shaping decision-making, communication frameworks, and funding networks. Within this context, leadership is important for developing a common vision, building membership interest and commitment, ensuring sufficient funding exists for activities, and for ensuring that an organization fulfills its mandate. As leaders are more likely than non-leaders to hold more memberships and board positions in other organizations, they are important assets for building networks. Most of the organizations in our sample had a leadership figure (91.7%). In contrast to previous research, leadership opportunities were equally available for both men and women amongst the organizations in our study.
An organization’s board of directors can access diverse sources of information and reduce uncertainty by developing relationships with other organizations. Boards also provide a forum for communication across a broad scope of sectors within the community. Most of the organizations we spoke with had a board of directors (66.7%).

Innovative service providers and voluntary organizations may face some critical structural challenges. Many of the organizations we surveyed remain dependent upon voluntary leadership and volunteer participation on their boards of directors. Such dependency may lead to volunteer burnout during times of economic restructuring and community change, and may impact the long term sustainability of the organization. These impacts may be particularly felt amongst organizations which lost members or employees, or where the decision-making power and responsibilities were concentrated amongst a few individuals.

While approximately 66% of the organizations sampled in all 4 sites needed to recruit new general members or employees, just under half (46.2%) of these organizations needed to recruit board members over the last year. Service providers and voluntary organizations needed to recruit new members or employees as their organization lost members or employees over the last year due to:

- out-migration,
- lack of time to participate,
- transfers of employees to other communities or departments,
- inconvenient changes in times that services were provided,
- difficulty maintaining professional certification,
- difficulty in keeping contact with members,
- distance for members from around the surrounding area to travel for meetings, and
- death.

In contrast to previous research, the organizations we spoke with are using a range of strategies to recruit new members or employees (Table 1). However, a more limited set of recruitment strategies were used to recruit new board members. Recruiting board members can be more difficult than recruiting staff. Staff can be recruited and hired locally or from outside of the community, while board members are typically drawn from the local community. Few of the organizations we spoke with (37.5%) had local leaders (i.e. industry or local government) on their boards. The presence of local leaders on an organization’s board of directors can bring more networks, resources, or support to an organization.

Office space may provide visibility and functionality for an organization. In the absence of office space, some organizations may use meeting rooms at public facilities, such as libraries. Approximately 43% of the service providers and voluntary organizations in our study had office space of their own, while approximately 32% shared office space or allocated space in their homes for their organization’s activities.
Table 1: Recruiting Strategies for General Members, Employees, and Board Members

<table>
<thead>
<tr>
<th>Recruiting Strategies for New General Members / Employees</th>
<th>Recruiting Strategies for New Board Members</th>
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<tbody>
<tr>
<td>• advertisements in the local newspaper</td>
<td>• advertisements in the local newspaper</td>
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<td>• local newspaper articles</td>
<td>• advertisements on the community radio</td>
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<td>• advertisements on the community radio</td>
<td>• pamphlets</td>
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<tr>
<td>• websites</td>
<td>• word-of-mouth</td>
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<tr>
<td>• advertisements in similar institutions in large urban centres</td>
<td>• meetings at other community activities</td>
</tr>
<tr>
<td>• hired recruiters</td>
<td>• meetings of the organization</td>
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<tr>
<td>• word of mouth</td>
<td>• recruiting people with previous experience</td>
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<tr>
<td>• newsletters</td>
<td>volunteering for their organization</td>
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<tr>
<td>• recruited volunteers from similar service providers</td>
<td>• hired personnel to recruit new board members</td>
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<tr>
<td>• posters</td>
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<tr>
<td>• community presentations</td>
<td></td>
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<tr>
<td>• recruiting committees</td>
<td></td>
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<tr>
<td>• invitations to individuals</td>
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<tr>
<td>• internal job postings</td>
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<tr>
<td>• volunteer and information database</td>
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<tr>
<td>• advertisements posted by recreational personnel</td>
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<tr>
<td>• church bulletins</td>
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<tr>
<td>• brochures</td>
<td></td>
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<tr>
<td>• social events</td>
<td></td>
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<td>• job postings across Canada</td>
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**Funding**

Funding is critical for maintaining organizations and facilitating the delivery of services. Although not every service organization relies on public funding or donations, some obtain revenue from the services they provide or through products they develop. Fewer innovative service providers and voluntary organizations in our study have access to government support compared to two years ago, which can add pressure on local funding sources. These organizations are relying more on revenues from services provided, membership fees, and community fundraising.

Previous work identified a range of conditions required to obtain funding. At times, government funding agencies require community groups to have the endorsement of their local municipality. Such a requirement may indicate that proposed projects have a wider appeal within the community. Other non-profit organizations may be required to adopt specific accounting and reporting procedures, as well as the policies of funding bodies. Prominent conditions to receive funding included having a board of directors (45.7%), providing services to a particular group (34.3%), adopting specific regulations (31.4%), and being located in a specific geographic area (31.4%). A greater proportion of sampled organizations with a board of directors had received funding from provincial government ‘grants’ and federal government ‘programs’ compared to organizations without a board of directors. Participants generally felt that board members were effective in pursuing funding for their organization.
**Filling the Service Gaps**

A challenge confronted when pursuing government funding is that service providers and voluntary organizations need to prove or document their significance and the distinctiveness of the services they provide to their community or client base. Such groups often fill critical service gaps, tailor services to meet local needs, and reduce government costs. In fact, most of the organizations interviewed that were experiencing changes to their services were providing new services and programs. New clients for these organizations included residents with specific health concerns, adult offenders, researchers, youth, women, and the general public who participated in new social events. These contributions were not just targeted locally, but also included the wider rural region surrounding the study sites. Few organizations noted that other service providers emerged over the last year to provide similar services. This may help support arguments for the distinctiveness of the services they provide as they approach funding sources.

**Organizational Operations**

The operations of innovative service providers and voluntary organizations will be influenced by a range of factors including control over the distribution of funds in their budgets and control over setting major policies governing their activities and services. This has produced a complex and, at times, frustrating relationship between funding agencies and local organizations. Approximately 70% of the organizations interviewed in this project retained local control over the distribution of their budgets. With the exception of provincial and municipal government programs, organizations that drew from private donations, membership fees, and community fundraising were more likely to retain local budget control.

Just over half (54.8%) of the organizations in this study had exclusive local control over setting major policies. In this context, sampled organizations with a board of directors were more likely to retain local policy control. This may be attributed to funding guidelines as government bodies encourage the development of boards to ensure that a management structure is in place to monitor organizational activities and enhance accountability.

**Sources of Information**

An important component of innovation is access to knowledge and information that can lead to the adoption of new ideas and processes. Utilizing a range of information sources will increase the potential for groups to acquire the knowledge needed to address the challenges they face. Within this context, there was a wide range of information sources utilized. At least half of all organizations accessed family and friends, management, general media, the Internet, customers, staff, and federal and provincial government departments for a range of information needs. Participating organizations that had a board of directors, and organizations that received funding from government ‘grants’ and ‘programs’, were more likely to have used a wider range of information sources. This may indicate a broader engagement with networks and partnerships.
**Use of Communications & Technology**

Service providers and voluntary organizations may contribute to community capacity building through communications and networking. Access to communication tools plays a role in the formation of partnerships and networks, and they also play an important role in developing new services and attracting economic development. Communication tools can also provide opportunities for routine social interaction, can help build common values and beliefs, and can create social cohesion.

When innovative service providers and voluntary organizations were asked about how they communicate with clients, members, funders, and partners, the results showed that personal forms of communication (including word of mouth and personal contact) were more prominent. Personal forms of communications, such as personal contact and face to face meetings, have been important in developing new ideas and relationships. However, some communication tools were more likely to be used to correspond with certain groups. For example, telephone and e-mail were used to contact members. Reports, media stories, and e-mail were used to communicate with funders and partners.

Funding may play an important role in providing resources for the development and use of communication tools. Groups with funding from federal, provincial, and municipal governments were more likely to use a range of communication tools to connect with clients, members, funders, and partners. In particular, these groups were more likely to use websites and e-mail, as well as more costly printed materials, such as newsletters, brochures, and media advertisements. They were also more likely to use conferences to interact with others (events which take considerable resources).

Most of the sampled organizations in our study felt that adopting new technology was important to access information, develop expertise, access funding, and address training needs. Organizations that place high levels of importance on adopting new technologies may indicate that these groups are ‘ready’ to embrace opportunities for innovation. Technology included new computers, online accounting programs, the Internet, PowerPoint, Intranet, e-mail, teleconferencing, Microsoft Publisher, scanners, voice mail, digital cameras, and new equipment pertaining to their service sector. Innovative service providers and voluntary organizations in our sample continued to view the Internet as an important tool for improving access to information and enhancing relations both inside and outside of the community.

**Partnerships - Bridging Social Capital**

In providing for local needs, innovative service providers and voluntary organizations confront problems that require multiple services, coordination, public support, and a variety of strategies. Such responses may be beyond the capacity of individual organizations, especially when those organizations are also confronting government cutbacks and declining human resources. Within this context, networks and partnerships may emerge as groups do not have the necessary resources to respond to multi-dimensional problems. Partnerships can also help to demonstrate the legitimacy of an organization both within and outside of the community.
As communities cope with service cutbacks and closures, partnerships are increasingly becoming an important component of the daily operations and delivery of services for these organizations. In particular, respondents allocated a high level of importance to developing local partnerships with businesses, voluntary organizations, service providers, and the local government. Local government, and other public and private bodies, can facilitate the building of partnerships and networks by sponsoring dialogues through public meetings, workshops, community forums, local committees, or local advisory boards, and by developing policies that encourage the collaborative decision-making that can build social capital. Few of the organizations we spoke with had terminated partnerships with local groups within or outside of the community over the last year. Organizations we spoke with noted that partnerships had led to expanded networks, new products and services, and new expertise.

Despite the higher level of importance assigned by respondents to developing local partnerships, a greater proportion of sampled organizations (75.0%) had developed non-local partnerships compared to local partnerships (61.0%). In fact, more organizations in our sample had formed partnerships with groups outside of their community over the last year. Non-local partnerships were also generally found to be more effective than local partnerships amongst the organizations we spoke with.

With government cutbacks and restructuring throughout the 1980s and 1990s, governments encouraged local organizations to develop partnerships with other non-governmental and business groups to demonstrate that they were showing initiative and proposing activities that had appeal in the larger community. Partnerships also provide a way to demonstrate local support and local legitimacy. While few organizations received funding from government grants or programs, findings indicate that a greater proportion of organizations with local and external partnerships received government funding. In fact, none of the organizations without external partnerships received government funding.

Finally, the use of a range of communication tools appears to have made an important contribution to the development and maintenance of partnerships. Sampled organizations with non-local partnerships were more likely to have used a range of communication tools to interact with clients, members, and funders. Similarly, organizations that had local partnerships were more likely to use Internet technology and a range of print media to correspond with members and funders. Even though communications in a partnership may be time consuming, these activities will be important for building and maintaining partnerships, as well as for developing trust amongst those involved.

Social Cohesion and Social Capital

Socially and economically stressful events provide opportunities for groups to test how they may work together, share values, and develop trust that may be mobilized in the future through other collaborations or partnerships. Participants described a range of service providers, voluntary organizations, government departments, businesses, and citizens that emerged on many occasions to provide donations, services, and support to those in need. There was a range of stressful events such as deaths in the community, job losses and reduced incomes stemming from industrial restructuring, and the loss of businesses. These events have provided residents with
opportunities to engage with each other and build relationships that may be mobilized in the future.

After these stressful events, most participants felt that local organizations are more able to work effectively together. There has been an increase in the trust and confidence with the groups that helped out during these stressful events as a result of being able to deliver on their promises to help those in need. Groups that have been particularly supportive within the community include voluntary organizations, innovative service providers, and the local government representatives. Generally, people relied on these organizations for donations, supplies, transportation, information, training, support, and advice. These organizations were also called upon to organize or host social events or workshops, provide volunteer support, or provide services specific to each of these organizations. In some cases, organizations took on events or services formerly provided by another group. However, participants described some important challenges that may inhibit the effectiveness of working relationships. These include volunteer burnout, limited expertise, and, at times, an unwillingness to work together as some service providers may be protective over the boundaries of their services.

4.0 Challenges for Innovative Service Providers and Voluntary Organizations

Innovative service providers and voluntary organizations face a number of challenges to meet increasing demands for services in rural and small town places. They may lack members, have members who offer little participation, or they may not have adequate training to carry out their activities. Other organizations may have limited financial resources.

There may also be constraints to building effective networks. For example, rural community leaders may not understand the potential of telecommunications. Furthermore, while the Internet has been a useful tool for overcoming barriers to access information in rural and small town places, some rural residents may be excluded from using the Internet because of technophobia, specialized vocabulary, lack of availability, and costs. They may also lack the typing or literacy skills to function in this text based environment.

Partnerships may be constrained if partners do not have the same level of commitment. Furthermore, while partnerships involve the building of relationships and trust over time, it is difficult to determine how long this will take to develop. Yet, there tends to be an over-dependence on public funding that is often restricted for short time periods.

In this study, lack of members, volunteer burnout, limited funding, and little participation by members were among the more prominent challenges faced by the organizations we spoke with. Combined, this places considerable pressure on members in these groups to take on additional duties. If these challenges persist, they may lead to service cutbacks or closures. Few of the organizations we spoke with, however, were concerned about communication problems or limited partnerships. To maintain their services, innovative services providers and voluntary organizations in this study identified a range of strategies being used to cope with funding challenges (Table 2).
### Table 2: Challenges and Coping Strategies for Innovative Services Providers and Voluntary Organizations

<table>
<thead>
<tr>
<th>Challenges (% of responses)</th>
<th>Strategies to Cope with Challenges</th>
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</thead>
<tbody>
<tr>
<td><strong>Funding Challenges</strong></td>
<td></td>
</tr>
<tr>
<td>• No funding (38.9%)</td>
<td>• working with the municipal government to pursue funding opportunities</td>
</tr>
<tr>
<td>• Lack of local support (27.8%)</td>
<td>• writing grants for more funding, aggressively pursuing clients locally and non-locally</td>
</tr>
<tr>
<td>• Government cutbacks (16.7%)</td>
<td>• receiving donations and revenue from publication products sold</td>
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<tr>
<td>• working with other service providers to provide training</td>
<td></td>
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<tr>
<td>• trying to maintain local support by communicating with locals at social events</td>
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<tr>
<td><strong>Human Resources</strong></td>
<td></td>
</tr>
<tr>
<td>• Lack of members (50.0%)</td>
<td>• hiring employees</td>
</tr>
<tr>
<td>• Volunteer burnout (41.7%)</td>
<td>• training has been taking place amongst staff to build capacity</td>
</tr>
<tr>
<td>• Little participation by members (36.1%)</td>
<td>• comparing services to other providers to evaluate their competitiveness</td>
</tr>
<tr>
<td>• Psychological burnout (27.8%)</td>
<td>• recruiting through word of mouth and open houses</td>
</tr>
<tr>
<td>• Out-migration (22.2%)</td>
<td>• inviting members to annual general meetings</td>
</tr>
<tr>
<td>• Declining enrolments (22.2%)</td>
<td>• changing regulations to make leadership changes mandatory every couple of years</td>
</tr>
<tr>
<td>• Lack of new leadership (19.4%)</td>
<td>• volunteer meetings with training sessions to motivate people</td>
</tr>
<tr>
<td>• Difficulty getting staff (11.1%)</td>
<td>• expanding the number of board members to reduce the workload and burnout</td>
</tr>
<tr>
<td>• Out-migration (22.2%)</td>
<td>• creating recovery time between events to reduce volunteer burnout</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td></td>
</tr>
<tr>
<td>• Need to revisit objectives (19.4%)</td>
<td>• re-evaluating their objectives through meetings</td>
</tr>
<tr>
<td>• Poor management (13.9%)</td>
<td>• changes in management and board positions</td>
</tr>
<tr>
<td>• Ambitious objectives (11.1%)</td>
<td>• additional duties assumed by the personnel operating the programs</td>
</tr>
</tbody>
</table>
| **Networks, Partnerships, & Communications** | |}

<table>
<thead>
<tr>
<th>Networks, Partnerships, &amp; Communications</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Few partners / outside networks (11.1%)</td>
<td>• creating networks in broader regions so that others could learn about their programs</td>
</tr>
<tr>
<td>• Communication problems (22.2%)</td>
<td>• creating partnerships by supplying space and materials</td>
</tr>
<tr>
<td>• creating new networks to give service providers access to other professionals</td>
<td></td>
</tr>
<tr>
<td>• creating a local sub-group to address service provision issues</td>
<td></td>
</tr>
<tr>
<td>• hiring new management to improve communications</td>
<td></td>
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<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
</tr>
<tr>
<td>• Building deterioration (13.9%)</td>
<td>• conducting repairs</td>
</tr>
<tr>
<td>• Lack of meeting space (5.6%)</td>
<td>• using office space of other service providers for free</td>
</tr>
<tr>
<td>• using personal home space of members</td>
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### 5.0 Conclusion

Social, political, and economic restructuring has led to the downsizing and closure of many services in rural and small town places. In turn, industrial and business closures, accompanied by the displacement of workers, have produced additional pressure on services during these restructuring periods. Together, this places more pressure on local voluntary groups and service providers to fill service gaps. The loss of support services often affects the most vulnerable residents, such as seniors or those living in poverty. In the absence of employment, education, health, or counselling services, commuting and out-migration become real problems affecting the viability of rural and small town places. Under the pressure of limited resources, residents must search for new ways to deliver important services in their community.
This study explored how innovative service providers and voluntary organizations are structured and how they continue to sustain their services over time. The study tracked organizations sampled in Mackenzie, British Columbia, Wood River, Saskatchewan, Tweed, Ontario, and Springhill, Nova Scotia. To explore what may make these groups successful, the research explored human resources, financial resources, and communication tools used by these organizations to build capacity, as well as the presence of partnerships to sustain services. Innovative service providers and voluntary organizations in our sample identified a range of ways by which they sustain themselves over time.

**Building Organization Stability**

Most organizations have a stable structural framework that included staff, office space, and a board of directors. These features enhance the visibility of organizations in their communities. Organizations exhibited an equal gender distribution amongst leadership positions and on the board of directors. This is important as men and women bring different experiences and networks to an organization that may be drawn upon over time or during times of stress. Boards of directors were also prominent requirements for some organizations to obtain funding. In fact, organizations we spoke with that had a board were more likely to obtain government funding, as well as private donations, personal funds from members, and membership fees. When organizations needed to recruit new general members or employees, they utilized a wide range of strategies.

**Enhancing the Legitimacy of the Organization through Local Support**

Organizations we spoke with were relying less on government funding compared to two years ago. This change does not appear to stem from a lack of success with funding applications. Instead, fewer organizations were pursuing government funding. They were relying more on local funding sources, including revenues from services provided, membership fees, and community fundraising. Funds from membership fees or personal contributions may indicate faith or trust in the organization’s operations (O’Regan and Oster 2002). Local support may also enhance the legitimacy of the organization’s efforts if they wish to pursue public funding in the future.

**Enhancing the Legitimacy of an Organization through Partnerships**

To accomplish their goals, innovative service providers and voluntary organizations have developed partnerships both within and outside of their community. Through these partnerships, organizations are strengthening the legitimacy and support for their ongoing activities. This can provide an important foundation when these organizations pursue funding. In fact, organizations with local or non-local partnerships were more likely to have pursued and received funding from government grants and programs. Through partnerships and shared knowledge, service providers, voluntary organizations, and decision-makers will learn more about options for delivering services that may not otherwise exist.
Developing Relationships, Networks, Knowledge, and Expertise through Information Sources

Organizations we spoke with are also using a wider range of sources of information. At least half of all organizations accessed family and friends, management, general media, the Internet, customers, staff, and federal and provincial government departments for a range of information needs. This provides an opportunity to increase the potential to interact with diverse groups, to develop new relationships, and to acquire new knowledge and expertise that can enhance the resiliency of an organization. Participating organizations that received funding from government ‘grants’ and ‘programs’ were more likely to have used a wider range of information sources.

Using Communication Tools to Improve Relations Locally and Non-Locally

Face-to-face contact, or word of mouth, continues to be an important communication method to interact with clients, members, funders, and partners. At the same time, however, more participating organizations are using print materials and Internet technology for communication. Furthermore, most organizations felt that the Internet was becoming an increasingly important tool for improving access to information and improving relations locally and non-locally. Organizations that place high levels of importance on adopting new technology may indicate that they are ‘ready’ to embrace opportunities for innovation.

Developing Trust and Confidence in Organizations

Many respondents noted how organizations in these rural and small town places have responded to stressful events over the last five years; demonstrating their value and importance. Groups that responded to these pressures included various levels of government, churches, schools, voluntary organizations, service providers, the business community, and even general citizens. Most felt that there was increased local ability to work together, and have increased levels of trust and confidence as groups delivered on what they promised they could do. Such responses provide an important foundation upon which partnerships and linkages can be created.

Overcoming Challenges - Coping with Limited Human and Financial Resources

Service providers and voluntary organizations are facing a number of challenges to meet increasing demands for services in these rural and small town places. Many of the organizations we spoke with continue to rely on voluntary leadership and voluntary participation of board members. At the same time, many of these organizations expressed concerns about lack of members, little participation by members, and volunteer burnout, as well as a need to recruit new members or employees. This places additional pressure on remaining members or employees to take on additional duties. In such circumstances, burnout may lead to service cutbacks or even closures of services if new ways to deliver such services are not found. Furthermore, few of the organizations with a board of directors had involved local leaders, such as industry or local government representatives. These leaders, though, can bring important networks, support, and resources. To cope with limited human resources, organizations are utilizing a range of strategies to recruit new members or employees. Organizations are also expanding the number of board members, as well as expanding the recovery time between events, to reduce workloads and volunteer burnout.
To overcome limited funding, government cutbacks, and lack of local support, organizations were working with local governments to pursue new funding opportunities. Having support or partnerships with local government can also enhance the legitimacy of an organization’s efforts when pursuing other funding sources. Organizations were partnering with other service providers to provide training and share space. Service providers and voluntary organizations were also maintaining support through communication and networking at local events. Organizations are also expanding their networks to learn about other programs and have access to a broader range of professional expertise.

**Future Research**

This project has explored many issues associated with an organization’s structure that may impact the daily and long-term activities. Further research, however, could explore additional aspects that impact stability, including how the roles and activities of leaders and board members change as demands and pressures for service providers and voluntary organizations change. More specifically, what roles do leaders and board members have in developing new networks and partnerships for service delivery in rural and small town places?

Given the concerns expressed by some organizations about lack of members, limited participation, volunteer burnout, and lack of expertise, it will be important to explore the benefits or drawbacks that residents perceive to being involved with service providers and voluntary organizations as members, staff, volunteers, leaders, or board members. This is critically important since such benefits or drawbacks may impact their involvement and commitment over time, and may influence the overall stability of the organization. It would also be useful to explore the skills that leaders and members develop through their participation, as well as how they transfer or share their skills with other members in their organization or with other groups in rural and small town places. Such processes of transferring knowledge and skills will help to build institutional memory and local capacity, which may help these organizations to be resilient during transition periods. Research could also explore how effective recruiting strategies are for employees, members, and board members in rural and small town places.

Moreover, while our research found that men and women have equal opportunities to be involved with service providers and voluntary organizations as leaders and board members, further research could explore what attracts women to these leadership positions. How many paid versus voluntary leadership opportunities do women have compared to men? How are women’s leadership opportunities changing as they are impacted by other aspects of their lives (i.e. shift work for partners, paid employment opportunities, the number of children they have, other commitments)?

Demonstrating that proposed activities and programs have a broader appeal in the community will continue to be important for service providers and voluntary organizations in rural and small town places. One way that this may be achieved is through board representation that covers a broad scope of interests in the community. Drawing from a wide range of interests and sectors in the community may also broaden the networks of an organization and strengthen its resiliency. Further research, however, is needed to explore how boards of innovative service providers and
voluntary organizations represent community interests, as well as how such representation may contribute to building social cohesion and social capital in the community. This may include examining how local leaders are incorporated into boards of directors, and the assets that these local leaders bring to these organizations in terms of networks, partnerships, expertise, funding, or other forms of support.

Given that fewer organizations were pursuing or relying on government funding, further research could explore why there has been a change in funding strategies. Is it because of a cutback in government funding programs, inappropriate requirements of funding programs, lack of resources to pursue funding programs, or simply a lack of need for government funding? In terms of developing and supporting funding strategies, what role do board members play in pursuing funding? How are board members effective or not effective in pursuing funding?

While findings identified many benefits received by organizations participating in a partnership, further research is needed to explore why partnerships were being formed in the first place. What attracts organizations to create a partnership? What does each partner bring to the table? What are the challenges to developing and maintaining partnerships both locally and non-locally in a rural and small town setting? How long do partnerships take to develop? Moreover, research is needed to explore what makes partnerships successful, as well as why some partnerships are not successful. Further work in the communities could also be done to explore the role that partnerships and innovative services play in retaining residents who may otherwise feel pressured to commute to access such services.

In supporting the community, findings revealed the most effective groups to be voluntary groups, the mayor, and service providers. But what activities were performed by these groups that made them particularly effective? Furthermore, while findings suggest that funding may provide service providers and voluntary groups with the resources to use a wider range of communication tools, research could explore how these tools impact their connections with members, funders, and partners, and the delivery of services to clients.

This study examined the structure, roles, and capacity of innovative service providers and voluntary organizations in four rural and small town places across Canada. The communities of Mackenzie, British Columbia, Wood River, Saskatchewan, Tweed, Ontario, and Springhill, Nova Scotia provided representation across different regions and characteristics in which to explore the different capacity and opportunities for these organizations. We hope that the information provided in this report will help decision-makers, service providers, businesses, and voluntary organizations in these communities as they continue to build capacity, plan service delivery and programs, and overcome challenges facing their organizations.
**Sources of Interest**

**Books**


**CRRF Reports**

These reports are accessible through the project website of the Initiative on the New Economy: nre.concordia.ca.


**Other Report Sources**


**Internet Sources**


New Rural Economy. nre.concordia.ca.
