Managing Conflicting Organizational Requirements: How Public Trust is Affected

by
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Nonprofit organizations in the United States are increasingly facing issues of accountability to the public at large. At question is their ability to maintain the public's trust in their use of the resources accorded to them. Kearns (1996) maintains that "accountability, in essence, is the obligation of public and nonprofit organizations to serve a higher authority—the public trust—which is the ultimate source of their mandate, their authority, and their legitimacy" (p. 11). The literature on nonprofit organizations widely acknowledges and stresses the responsibility organizations have to their clients, donors—whether individuals, foundations, businesses or government in general—and volunteers. Within this, a number of scholars have focused on the particular relationships organizations may maintain with the government through contracts, grants and subsidies.

This paper will examine the effects of the interaction between the accountability relationships maintained by a nonprofit organization with the government (through a contract) and the community (through trust). While doing research for another study on capacity building in nonprofit organizations (Elliott, 2002), I learned that organization leaders experience conflict between the rules of implementation of a specific government program and the needs of the community. I decided to examine this conflict further; the research question became 'how are trust relations between the public and an organization affected when contractual arrangements with the government become more strict?'

The preliminary conclusion, based on data from the earlier study, is that regulatory constraints on program activities inhibit the ability of this set of organizations to fulfill their social contracts with their communities, thereby negatively influencing the level of trust of the community in the organizations themselves. While in the end the impact on trust relations is only theorized, the potential is serious if the relationship between service

provision and the level of trust is strong. The set of organizations studied are Habitat for Humanity International (HFHI) affiliates that are (or recently were) participants in the AmeriCorps* VISTA national service program. This data, along with a detailed description of both the standard Habitat organization and the AmeriCorps* VISTA program, will be presented following a discussion of the relevant theory on accountability and trust relations.

Accountable to two entities

Before describing the two entities to which organizations may hold themselves accountable, it is helpful to delve into the various types of accountability. Johnston and Romzek (1999), in a review of nonprofit contracts, describe four types of accountability relationships that may be incorporated into a contract or an alternative responsibility structure. The types vary along two dimensions: "degree of autonomy" and "source of expectations and/or control" (p. 387). With a low degree of autonomy and an internal source of control, the "hierarchical" accountability relationship incorporates rules monitored by senior staff to "elicit appropriate behavior" from junior staff (p. 388). Performance is also monitored through low-autonomy formal structures in "legal" accountability relationships, except that the oversight is external, creating a "typical principal-agent" relationship (p. 388).

Completely opposite the legal relationship is the "professional" accountability relationship. This type refers to structures that are enforced internally among a peer or work group to maintain norms of behavior related to the professional expertise of the members (p. 387). The degree of autonomy is high. It is likewise high in "political" accountability relationships, which are characterized by informal external expectations of

performance. Johnston and Romzek write that in these cases "the answerable party has the discretion and choice about whether and how to respond to key stakeholders" (p. 387). They explain that the four types are commonly seen together in varying degrees in a given contract structure, although they only briefly touch on the potential for complications among them.

As noted in the introduction, nonprofit organizations are accountable to a large number of stakeholders. The community being served is arguably the most important of these, and is the first of the two addressed in this paper. The "community" refers to the individuals—staff, volunteers, donors, and current, future and potential homeowners— who have a claim on the services provided by the Habitat affiliate. The organization's responsibility takes various forms. The most prominent is financial accountability: supporters want the funds they give to an organization to be put to the best possible use in the community. Responsibility to the community also exists in other forms, including the organization's service provision. The responsibility to serve the public is significant because the organization and the public are bound together by trust.

The organization exists to provide services, and the community expects them. When considering a Habitat for Humanity affiliate, these services may include getting an application to a potential homeowner, holding periodic informational meetings for volunteers and clients, quickly processing donations and bill payments, and of course, building houses. The continued existence of any organization is dependent on the quality and quantity of its direct service provision. It must maintain its reputation as a solid community service-provider in order for the community to continue to support it and seek it out for help. The accountability structure in such a situation is largely informal, which

is generally possible to sustain because the community in which the organization

provides services is close enough to it that it can monitor its activities directly (Behn,

2001, p. 96-97). Within the accountability rubric described by Johnston and Romzek

(1999), accountability to the community in service provision is primarily "political:"

there is not a contractual obligation for the organization to respond to community service

demands or needs. Instead, the goal is to satisfy the public in order for trust to be kept.

Alongside the community, a second entity to which a nonprofit organization may

find itself accountable is the federal government. Nonprofits frequently find themselves

working with the government to provide services to communities through contracts. A

'contract' generally is "viewed as a mechanism by which government can benefit from

the efficiencies inherent in private markets" and represents a transfer of service

production from the public to the private sphere (whether nonprofit or for-profit)

(Johnston & Romzek, 1999, p. 385). One of the hallmarks of the contract is that it

involves "the government purchase of goods or services that are produced privately"

(Ibid.). Popularized as privatization, contracting out is thought to enhance efficiency and

service provision. Contracts usually stipulate strict performance guidelines in order to

assure that the goals of the public sphere are met, and fall squarely into the "legal"

accountability category. Autonomy is low and external control is ostensibly high in these

relationships (although as Johnston and Romzek stress, the reality may often be much

different). Violating a contract is often seen as disregard for a legal responsibility that has

formally delineated consequences. Kenneth Ruscio (1999) notes that formalized

relationships, based in institutional rule frameworks, are not enough to compel

individuals to act in the good of the public (despite what Leaves (1997) suggests about

the importance of public law). The alternative, however—"common values"—is not adequate either. He submits that both are required to ensure the fulfillment of the public good by government officials in the form of discretionary authority.

I have through the essay thus far referred to the relationship I am studying between the organization and the government as a 'contract.' Strictly speaking, this is probably not the case in this instance. Although I present support for this claim here, the full program will described in detail in a later section. While the AmeriCorps* VISTA program technically may fall within the contract concept, it perhaps may more accurately be seen as a government subsidy. The government, through the AmeriCorps* VISTA program structure, contracts with an organization to eliminate poverty within a community. The activities through which this goal is achieved are bound by a certain set of rules. Briefly, they stipulate that poverty is to be eliminated through the use of a full-time volunteer (member) to develop sustainable programs in nonprofit organizations that themselves address local problems of poverty. There are three assumptions implicit in the program design and structure. First, the program is based on a belief that government should fight poverty, and second, administrators believe that nonprofit organizations are out in communities fighting poverty and doing it well. The third assumption is based on these first two: that government should support organizations in fighting poverty. Instead of fighting poverty directly, the government (through the program) 'contracts' with organizations in that it asks the organization to do it in its stead. In this sense, it is a contractual relationship.

In other ways, however, the relationship is more like an organization subsidy. The program does not provide services in the strictest sense; in fact, it explicitly prohibits its

members from providing direct services to clients. A "purchase" is not being made, either,

unless one considers the AmeriCorps* VISTA member's work as being purchased for the

benefit of organizations. Rather, organizations that are already producing a service are

being supported through government resources. The organization receives many of the

benefits of the program: virtually free labor, new programs and support systems and a

shot of new energy and experience. Whether or not the relationship is really a contract or

a subsidy is largely irrelevant. The discussion merely highlights the true nature of the

relationship and emphasizes the differences between this program structure and that of a

more traditional contract. I will continue to refer to the program relationship as being

contractual because this is the language the government uses and because, like most

contracts, there are guidelines the organization must follow to maintain the relationship.

It is believed by several scholars that formal contractual relationships can affect the

organizational form of the nonprofit and its relations with the community. This latter

issue is addressed in the next section. Regarding the former issue, Lipsky & Smith (1990)

propose that nonprofits may shift organizational priorities and functions to meet contract

requirements, potentially altering their traditional service relationships with their

communities (p. 626). Similarly, Johnston and Romzek (1999) report that "research

indicates that rules and regulations stipulated in government contracts tend to make

nonprofits more like government in their daily operations over time" (pp. 388-389).

Tonkiss and Passey believe this is due to the need to be able to provide answers to the

formalized evaluation measures. When these performance relationships exist, activity

monitoring is formalized through evaluation by output or outcome measures and 'goal

achievement' (Tonkiss & Passey, 1999, p. 272). This can cause organizations to lose the

managerial flexibility and client-based service provision that was attractive in the first place. The strictures of the legal relationship present a very different view of success than does the political accountability type, which focuses more on client and supporter satisfaction as an evaluation measure.

The relationship between the contract and the community

The importance of these two accountability relationships—those between either the government or the community and the organization—is augmented when the impact of one is considered on the other. Some few other scholars also provide some perspective on understanding the role of a contract's formalization and enforcement on an organization's relations with its service public. Before going into their analyses however, trust relations, central to this analysis, must be defined. As used here, 'trust relations' corresponds with the definition used by Tonkiss and Passey (1999): "ethical relations which are not conditioned by an external framework of controls" (p. 258). These relations, states Fukuyama (2000), do not come into being spontaneously. Instead, they are created and maintained through a need of cooperation in repeated interactions. He writes, "if individuals interact with each other repeatedly over time, they develop a stake in a reputation for honesty and reliability" (p. 13). The relations, built on honesty and reliability, are developed between the parties and are not enforced by a third party.

The links between the two relationships are central to this analysis. Of particular interest, as previously stated, is how changes in the contractual relationship between the government and the organization affect the relationship between the organization and its community. Tonkiss and Passey (1999) focus on the operational environment, stating that as it becomes more formalized through increased contractual relations, an organization's

capacity to maintain the trust of the community decreases. This is due to the necessity of "responding to different sets of demands, as sites of trust and values, and as enterprises" (p. 266). By instituting contracts, setting performance targets becomes more important, and the "general organizational aims" are lost to these targets. "This substitutes a trust-based relation with one premised on confidence in external systems of contract, audit and regulation" (p. 268). They conclude that the formalization of relations with one stakeholder—thereby making the relationship more dependent on confidence instead of trust—overspills, contributing to the same in others. They use confidence to refer to types of relations that are predicated on contractual "or other regulatory forms" (p. 258). They believe this is detrimental because trust is held to be "a functional prerequisite for the possibility of society" (Lewis & Weigert, 1985, p. 968), without which interactions become more difficult and potentially paralyzed. In a pure modeling exercise, Robert Goodin (2000) similarly theorizes that as relations become more institutionalized, the capacity of parties to trust either each other or outside parties will decrease, making future interactions based on trust less likely. The implication is that a discord between the requirements of these two critical relationships maintained by a nonprofit organization—the contract and the public trust—could cause one or both to suffer. The assumption, of course, is that the continued presence and use of trust in social and organizational interactions are beneficial to these relationships and society at large.

There is evidence that over the past year, the rules and guidelines of AmeriCorps* VISTA member use have been more strictly enforced than previously. It follows that if there is conflict at the current level of enforcement then greater enforcement will cause greater conflict. If this has happened, it stands to reason that direct service provision by

members has decreased. This may strain the organization's ability to provide services overall, thereby reducing the quality and quantity of services. If it were indeed the case that the day-to-day service provision is that which is most highly demanded by the community, then this would in turn affect the level of trust of the community in the organization. The program guidelines will be introduced in the next section, which presents the study as a whole and the preliminary results.

Analysis

In reviewing the set of Habitat affiliate AmeriCorps* VISTA participants, the preliminary goal was to ascertain whether organizations recognize a conflict between fulfilling the AmeriCorps* VISTA program regulations and service provision by asking what factors influence their decision to use their members in direct service. The following analysis is conducted through the prism of the institutional analysis and development framework (Ostrom, Gardner, & Walker, 1994). This framework suggests that, in order to understand a decision-making situation complete, the following factors first must be considered: the individuals involved and their relative positions of power, their action options and their level of control over the choice between these options, the set of links between actions and outcomes, the benefits and costs assigned to the actions and outcomes (including incentives for certain behaviors), and the types and content of the available information (Ostrom, Gibson, Shivakumar, & Andersson, 2002, p. 275 forward). The framework also incorporates a set of contextual variables into the analysis that include the physical and material conditions of the situation, the attributes of the entities involved (structure and culture, for example), and the rules that structure the decision making. The goal is for "the analyst is trying to understand the structure of the situation

as viewed by the participants" (p. 299). These factors are addressed in varying degrees in the rest of the paper.

As mentioned in the introduction, the data used to analyze the effects of contractual relationships on the public trust was gleaned from a set of surveys and interviews conducted for a previous study. As such, the data in some instances only provides indirect information about the issue at hand. The eighteen interviews were conducted during April and May of 2002 as a follow-up to the surveys the organization directors completed in the previous two months. Each affiliate (only Habitat affiliates were surveyed—nearly 60 percent of the sample of 525 responded) had noted on the survey that it was a current participant in the AmeriCorps* VISTA program; this was supported by earlier information received from the Corporation on participating organizations. After choosing twenty-five organizations randomly to interview, the final pool of eighteen was chosen with consideration of location, comments on the AmeriCorps* VISTA activity form, types of activities the members were said to be involved in, and a stated willingness to contribute further. The interview questions are listed in Appendix A. Given that the questions asked were not directly related to the issue being addressed here, the conclusions from the data are only preliminary. Most importantly, there is no direct data supporting the claim that the public trust is affected by a decrease in service provision. Even so, the interview responses do suggest that such a relationship may exist. Three pieces of evidence are needed to make at least a tentative conclusion regarding the impact of contracts on trust relations with the public:

- the level of conflict organizations experience between meeting community needs and program requirements;

- the degree to which organizations are meeting program/contract requirements; and

- the presence of a real impact of the conflict on service provision.

These factors will be framed by a discussion of the rules, the organizational forms and the incentives for not following the rules. If organizations are not meeting contract requirements and if they experience some degree of conflict between these requirements and meeting community needs such that there is an impact on service provision, then one may tentatively conclude that formalization reduces trust relations with the public. Again, this conclusion is based on the assumption that the public's trust in the organization is dependent upon the continued provision of quality services, providing an incentive to meet community demands in this area. Conflict, in this sense, refers to a situation in which organizations must choose between following the guidelines and meeting community needs. If they must make a choice between these, then conflict exists.

National service has received national attention in recent months, having been emphasized by President Bush as one way the citizens can heal the ills of the nation. In all of its forms—AmeriCorps, Senior Corps, Learn and Serve, and the newly formed Freedom Corps—national service is a means through which the federal government supports local and national initiatives to improve communities, particularly in the area if poverty reduction. The new motto of the Corporation for National and Community Service (the Corporation is an independent federal agency that houses all the national service program units) reflects this: "Serve your neighbor. Serve your community. Serve your country." The oldest of these programs is AmeriCorps* VISTA.

Established in 1964, the ultimate goal of AmeriCorps* VISTA is to develop "lasting solutions to the problems of poverty in America" (CNCS, 2002b, p. 1), primarily at the

local level. It aims to do this by placing individuals in nonprofit organizations to serve for a minimum of one year. AmeriCorps* VISTA members receive a small stipend and an education award in return for their service, usually paid by the Corporation, not the organizations in which they serve. Organizations must apply to participate in the program, submitting a proposal with, among other things, a detailed work plan that outlines why and in what areas a member is needed, and a concept paper detailing the benefits of and need for the project in which the member will be engaged (CNS, 1995). A member's help is typically requested to develop a proposed program that the organization cannot implement on its own because it lacks the necessary staff, volunteers and/or funding. The applicant must therefore adequately demonstrate a need for the member such that one or more activities or projects will not be completed without them. As the Corporation (2002b) advertises, "AmeriCorps* VISTA members enable [organizations] to implement those dream projects that [they] never have time to turn into reality" (p. 2). One of the greatest benefits of the program is that the member is essentially a full-time volunteer. Because the Corporation pays the member's stipend, the organization gets free full-time labor (there is an exception to this, but is not relevant here).

Once the proposal is accepted, the organization becomes an AmeriCorps* VISTA member sponsor. It must then sign a contract, renewable for two more years, in which it must agree to abide by various restrictions that limit what the member may do. This ensures that the organization directors know the rules; members know them through the program training process given by the Corporation. These restrictions have been put in place for reasons ranging from constitutional requirements to political and legal necessities. These reasons are not atypical. Johnston and Romzek (1999) note that

"accountability relationships are rooted in performance expectations that originate from various legitimate sources within the American system of governance, including the Constitution, law, democracy, public interest.. .political leadership, [and] interest groups..." (p. 387). These sources' demands, when combined, may contradict each other or be ill defined. This creates challenges for policy implementers. In this instance, however, program requirements are rather limited and basically follow standard government employee non-intervention principles. According to the guidelines for the selection of program sponsors and projects (CNS, 1995), members must not:

- participate in partisan OR non-partisan political activities (including get-out-the-vote campaigns);

- directly or indirectly attempt to influence legislation;

- engage in any religious activities as part of their duties, including religious instruction, worship or proselytization; and

- receive compensation for work outside of VISTA pay.

The guidelines also mandate other requirements, including, for example, that the member must "focus on:

- the mobilization of community resources,

- the transference of skills to community residents, and

- the expansion of the capacity of community-based and grassroots organizations to solve local problems" (p. 7173).

One of the most significant restrictions on program implementation in the contract is not found in the guidelines published in the Federal Register. Instead, it is described in

the *AmeriCorps* VISTA Member Handbook* (CNCS, 2002a). Members are told that they must not do direct service. The prohibition is explicit: "AmeriCorps*VISTA assignments must not include the delivery of individual services to a limited number of clients (direct service) nor activities more appropriately performed by the Sponsoring Organization's administrative support staff (CNCS, p. 3). This means that activities such as tutoring, house building, clerical work and food preparation are barred, primarily because they are believed to detract from the creation and maintenance of programs that "encourage permanent, long-term solutions to problems confronting low-income communities" (CNS, 1995, p. 7173). The rule is further stressed in the training sessions with the members. A newly trained AmeriCorps* VISTA member recently told me that she was told, "you may find yourself doing some direct service, but if it is all you are doing, then you need to talk to someone" (private interview, November 2002). The member and the organization are to understand that if this is not followed (or the other rules) the contract will be terminated.

Within this regulatory framework, however, the level of outside monitoring and enforcement is low. The rule is largely self-regulated—it is up to the member and his or her supervisor to ensure that it is respected. This most likely has to do with the magnitude of the endeavor: there are currently over 100 AmeriCorps* VISTA members just in Habitat affiliates. Nationally in 2001, more than 6000 members served in over 1200 programs. Each of these programs is required to submit quarterly progress reports detailing the number of volunteers engaged and the amount of funding secured by the member, and his or her activities. This is virtually the extent of formal oversight. The large number of members and organizations precludes an in-depth continuous monitoring

process by which daily direct service provision could be ferreted out. The result is that, typically, organizations have very little to worry about when they request their member to perform a prohibited activity. An aspect of the self-regulation is an exception to this and will be presented later in the paper.

Differentiating direct service from other forms is at the heart of the issue of implementation. A guidebook for potential AmeriCorps* VISTA sponsor organizations, *Step-by-Step* (2002b, p. 6), states and differentiates between the three types of activities in which AmeriCorps* VISTA members may be engaged: indirect service, capacity building and sustainability. None of these categories is specifically defined in any of the Corporation literature. A table of examples is provided, however, in the *Step-by-Step* guidebook (p.6). From this table, it may be determined that indirect service refers to program administration activities—such as recruiting volunteers and public speaking— that do not involve providing services to a client or clients. Whereas indirect service more accurately is program administration, the next two types encompass program development activities. Capacity-building activities then seem to refer to activities that enable the organization to perform its direct and indirect services in better ways. The table includes as examples "develop forms and volunteer assignments" and "develop speakers' bureau." Lastly, "developing a volunteer handbook" and "developing community partnerships" are considered to be activities that enhance the organization's sustainability. This type thus refers to endeavors that ensure that the direct, indirect and capacity-building activities will continue once the VISTA member has left. "Direct" services therefore account for only a small portion of the types of activities in which members may be involved. However, because these services actually make up the vast

majority of activities organizations engage in, the potential for member service provision is very high.

Before addressing the incentives for engaging members in direct service despite the prohibition, it is necessary to also provide some information about the Habitat for Humanity organizations. Affiliated organizations of Habitat for Humanity International must conform to a set of operating procedures in order to maintain their status as affiliates. The most important of these concerns the services the affiliate may provide. Essentially, the affiliate "partners" with families to build houses that are sold to the families and mortgaged for the cost of construction through a zero-interest long-term loan. This basic formula defines the Habitat approach to eliminating "substandard housing and homeless worldwide and [making] affordable shelter a matter of conscience and action" (HFHI, 1996, p. 1), its stated goal.

Because of this standardized approach, Habitat may easily promote its vision and goals; this has made it a household name virtually around the world in a mere 25 years. This approach also constrains what an affiliate may do, however. It does not really provide any service other than homeownership. The second primary function of affiliates is to provide support to families in their transition to homeownership, but this is essentially an aspect of the construction program. Other activities, such as developing a "restore"—a thrift store through which materials are sold to fund the affiliate's activities —or working with a university or high school campus to develop student support programs, again are really support mechanisms for homeownership. As I will discuss later, this makes it difficult to differentiate between direct service and program

development and implementation. In a sense, there is only one program with several supporting structures.

Most affiliates build only one or two houses a year or fewer (HFHI, 2000), although the very largest have plans to complete between 65 and 70 in 2002 (Elliott, 2002). The small size of most affiliates ensures that a large percentage of the 1600 domestic affiliates do not have any paid staff and are entirely volunteer-managed. On average, organizations have one staff member, but the median is zero (Elliott, 2002). According to the survey I completed, the biggest challenge Habitat organizations face in meeting their construction goals is a lack of human and financial resources. While not a surprise, this translates into affiliates being very ready and willing to participate in a program such as AmeriCorps* VISTA. Organizations turn to the program to increase their service provision choices through augmenting their available resources. There is evidence from the interviews that over one third of organizations would not "get as much done" without the AmeriCorps* VISTA member. For example, one affiliate director wrote that they decided to apply to the program because they "needed staff but could not afford to hire full time." Two other commented on their level of staffing: first, "[the members] have been a blessing to our already understaffed office," and second, "[our member is] outstanding help for an affiliate that is operated over 90 percent by volunteers."

The primary incentive for involving members in direct service activities despite the prohibition has two facets. First is the demand by the public for adequate service provision. If the community cannot rely on the organization to fulfill its service demands, then the reputation of the organizations suffers and it is likely to lose support (and therefore funding) and weaken the public's trust. The second relates to the resource

deficiency organizations face. When resources are scarce but needs are large, a particular resource will be directed to the greatest, most immediate and most pressing needs which are usually some aspect of service provision. This is especially true when the limits of usage of the resource are minimal. This is certainly a common practice with financial resources. It certainly may also be case with human resources. When an organization finds itself short on staff or volunteers to do all of the daily work that needs completed in order to meet community demands for services (paying bills, working with families, managing other volunteers, answering the phone, etc.), the AmeriCorps* VISTA member will be the first alternative source of help. The only other option is to extend the hours of the current staff (probably not a possibility given the scarcity of resources already) or to find and train new volunteers. Given the community needs, the available resources and the lack of rule enforcement, organizations most beneficial option is to use the member in direct service. The other option is problematic when time and energy are also scarce commodities.

While the primary incentive may be related to available resources and the necessity of meeting the needs of the community, the level of enforcement of the restriction may be the most important element of rule obedience. If monitoring is lax, then the boundaries of the restriction will be wider, and member activities will encompass a larger area. Whether done intentionally or not, members may easily incorporate 'unapproved' activities into their duties. If monitoring is strict, of course, organizations must define more closely what their members may do. Knight (1992) writes that "if an externally enforced rule is introduced that penalizes that strategy, the actor must take into account the potential costs when assessing the utility of that choice. Note, however, that if there is some possibility

that the sanction will not be used in her particular case (e.g., either problems in monitoring noncompliance or a policy of selective enforcement that is biased in favor of particular groups), the cost should be weighted by that probability.. .If the costs are sufficiently large and the enforcement is sufficiently probable, we may have to revise the preference ordering of our strategies. What was once an optimal strategy for us may become an unacceptable alternative" (p. 61). Knight's comments are relevant as the analysis moves forward. He suggests that increased enforcement of what were previously unenforced rules encourages organizations to adopt new strategies of program implementation. In the situation being analyzed here, the implication is that the organization will find it necessary to use valuable time and energy to find new resources for providing direct services in order to maintain the public trust.

To summarize the previous discussion, there are several possible reasons for why the restriction on direct service provision by AmeriCorps* VISTA members may not be respected:

1. services must be provided to clients and volunteers, but the affiliates typically are understaffed (particularly those requesting AmeriCorps* VISTA help), resulting in a situation where there is more work than can be completed in the typical day by the regular staff members and volunteers;

2. the contract's monitoring and enforcement has traditionally been lax, decreasing the incentive of the organization and the member to follow the guidelines closely (intentionally or not); and

3. it can be difficult to distinguish between program development and program implementation, such as working with families versus creating a family education program, making borderline activities justifiable.

The program restrictions are largely being followed by AmeriCorps* VISTA members and program directors and supervisors among the Habitat affiliates interviewed (and in general), except for that which prohibits direct service. Members regularly (although not universally) participate in activities that are considered to be unauthorized, including building houses, answering the phone and doing the bookkeeping. More importantly, participation is more than intermittent; some members find themselves doing these things frequently. They appear to be doing this because the organizations do not have enough resources to otherwise provide these services—without the members, these services would not be provided to the same degree (if at all). This means that a conflict exists between following the rule and meeting community needs. Evidence of this is in the interviewee responses. There is also evidence that those organizations that are able to follow the rule do not experience a need to violate it.

The proof that organizations are using AmeriCorps* VISTA members in direct service activities is substantial, although indirect. Of the 18 interviewees, exactly half gave evidence that their members are engaged in direct service provision. Three pieces of information were taken as evidence. First, any remark indicating that the member was performing any duty that provided a service to a community member was counted, including office management (daily activities like answering the phone, doing the bookkeeping, keeping track of donations and volunteers, etc.), newsletter development, interaction with potential homeowners (such as providing information about the program

and applications or maintaining and servicing the applications) and construction site supervision. Fundraising, an explicitly supported member function, is not included as direct service. Second, any comment by a director that the AmeriCorps* VISTA member "was doing a bit of everything," for example, was taken as evidence that the member was engaged in direct service provision to at least some degree. Finally, any comment on member replacement that suggested something like "we will try to find a volunteer to work in an office position," whereby the role of the member largely appears to have revolved around office management. Running the office is not program administration but service delivery within this schema.

Several organizations presented more than one of these pieces of evidence. Seven organization directors noted that they are using their AmeriCorps* VISTA members in direct service activities. These activities are those listed in the previous paragraph. Two of these seven and another mentioned in the interview that their members are "doing a bit of everything," such that the members are not focused in one programmatic area. Each of these also said that there was only one paid staff person (themselves) and the having the AmeriCorps* VISTA member enabled the director to halve his or her own work. For example, one mentioned that one of the best things about having a member was that "the daily work could be divided up between two people instead of being only on [her] shoulders." In contrast, eight other organizations engaged their members mainly in a single activity, suggesting that their duties focused on program development and implementation. The remaining seven organizations appear to fall between the two extremes of members doing everything and doing one thing. Only one organization mentioned the need to find an "office position" replacement. It is significant that a full

half of the sampled organizations have members engaged regularly in what appears to be direct service work.

There is also substantial evidence that organizations experience conflict between choosing to follow the rules of the contract and meeting community service needs. Four of the eighteen organization directors described experiencing problems with the regulations that prevented them from using the member in the ways they wanted. For example, one stated that the organization had one understanding of the work that could be done and the Corporation another. A second director described how the Corporation told him that the member could not supervise workers in the thrift store while at the same time saying that he had to be in a supervisory position. This organization decided to opt out of the program. The third director said that he felt the control over the member was not with his affiliate, but rather with the state AmeriCorps* VISTA office. Finally, the fourth noted that the role definition of the member was weak, constricting use as either a traditional volunteer or as a paid staff member.

Finally, the biggest piece of indirect evidence of both direct service provision and rule conflict came as a result of early controversy over my original study. One regional supervisor complained that some of my questions regarding member usage could undermine the current relationship with the Corporation by suggesting that members were not being used according to the guidelines. The essential issue was that, at the time, Habitat affiliates were actually undergoing a general review of program implementation and a "crackdown" was underway. Neither the concern nor the crackdown would be necessary had the affiliates been following the guidelines as required.

To summarize, there is preliminary evidence that regulatory constraints on VISTA activities prevent organizations from fulfilling their social contracts with their communities. First, organizations have an incentive to meet community expectations in direct service provision. Second, organizations are using members to provide these services. Third, without the AmeriCorps* VISTA member, organizations would suffer even greater resource deficiencies. And fourth, organizations report that they recognize that the program rules—specifically that one prohibiting direct service involvement—can prevent them from using the member in the ways they desire. Unfortunately, there is not any evidence from this study that reducing service provision or poor service provision negatively affects the public's trust in the organization, although it might be safely assumed given other scholarly work in the area. In sum, the evidence suggests that the claim by Tonkiss and Passey (1999) and others that trust resources may be diminished as a result of increased formalization of the operational environment is correct.

There are many implications of this conclusion. The most important for the question addressed by this paper, however, is that allowing greater discretion (per Ruscio (1999)) within the set of rules—or flexibility—may ensure at least that the organization maintains the public trust of the community. This recommendation is dependent on the relationship between the area the rule affects and the needs and demands of the community at large. More importantly, discretion may allow trust to be generated as the community comes to rely on the consistent and appropriate services provided by the organization.

Appendix A: Interview Questions

The original purpose of these interviews was to determine a) how affiliate leadership perceived how their AmeriCorps* VISTA members have benefited or impaired the work of the organization and b) how they define capacity. The questions and, therefore, the responses do not provide direct evidence of the conflict organizations are facing in regards to violating the restriction on direct service. Instead, however, numerous comments were made that suggest that just such a conflict exists. A discussion of the responses to these questions is available in my original project report (Elliott, 2002). The following questions were asked in this order:

1. I noted on your survey that you have one (or more) VISTA member(s) working in the areas of_____and_____. Why did you choose these areas for them to work?

2. What, if anything, is he or she / are they doing that was not being done before they arrived?

3. If you did not have a VISTA member, would this work still not be done, or would someone else be directing these activities? Who would be doing it?

4. Considering the housing production you have planned for this year, if you did not now have a VISTA member in your organization, how would the organization meets its production goals?

5. Would you say the VISTA member has contributed to increased housing production? How? (Probe: Would you have built as many houses this year without the VISTA's work? Why or why not?)

6. How do you anticipate the work will continue once the VISTA leaves?

7. In what ways has the organization benefited from having a VISTA? Do you have a specific example?

8. Similarly, in what ways have VISTA members or participation in the VISTA program been less than helpful to the organization? Have there been problems you have had to resolve?

9. What comes to mind when you hear the word capacity building?

10. How would you define capacity building? Can you give me an example of a capacity-building activity?

11. In your opinion, how has/have your VISTA member(s) increased the ability of the organization to achieve its mission?

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