

Organizing of Grassroots Associations : The Case of Japan

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Abstract

Voluntary grassroots associations upgrade their structures to enable them to act organizationally and systematically as they grow in size. This fact was verified by studying volunteer groups in Japan. In particular, as the number of volunteers and funds involved increase, each group is motivated to establish a more formal and organized system. This present study also revealed that formalization continues to progress as the group focuses more closely on achieving its aims. Factors which stimulate systematization, other than size, will be further studied in the future.

I Introduction

Non-profit associations are gaining attention worldwide, particularly since the inability of governmental organizations to provide services is increasingly apparent to the public. Compared to the past, resources for administrative services have shrunk, and the systems for services are also becoming ineffective. This is one of the reasons that concepts of New Public Management are spreading. In this context, non-government and non-profit organizations (NGOs / NPOs), established by active participation of citizens, are anticipated to play a growing role in complementing government roles.

Japan is also experiencing the same changes. In particular, the so-called ultra-aging society is looming ever closer. In this society, the proportion of aged people will be much larger than that in Western countries. In about 10 years, when the most of so-called 'baby boomers' reach the age of 65 years, Japan will inexorably become an ultra-aging society. In 2050, the peak point, aged people are predicted to account for over 30% of the population (Cabinet Office, 2001). This has been officially announced as the most optimistic estimate; however, some predicts an even higher proportion of aged people in the population.

In this ultra-aging society, volunteers, non-governmental, and non-profit organizations are expected to play a more significant role in Japan than in other countries. In future, administrative resources will definitely run short, and thus we must compensate for this shortage in some other way, such as by making use of volunteers and non-governmental, and non-profit organizations. In Japan, however, volunteer associations are as yet unable to bear this kind of burden. Non-profit associations are still under development, and have not fully matured. It is no exaggeration to say that there are only a very small number of non-profit associations that can

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provide sufficient services. Whether we can count on non-profit organizations in the future is still unknown. At present, there are over 8,000 organizations approved by the so-called 1998 NPO Law, but many of them are still ineffectual. Their activities are still grassroots initiatives, and only a few of them are established based on an appropriate corporate-style management structure.

The present state of volunteer activities and non-profit associations and organizations in Japan is detailed in reports issued by National Institute for Research Advancement (NIRA) (1993; 1998), the Economic Planning Agency (1998; 2000), and the Cabinet Office (2001; 2002a; 2002b). These writings and reports describe the development of grassroots activities in Japan over the last ten years. The main message conveyed in these reports is that initiatives by non-profit associations and organizations have become very active in the last ten years, but they are not still firmly established in society, compared to other countries such as the US and other Western countries. Their systems and activities are still lacking.

We must now examine methods of developing activities of volunteer and non-profit associations, which are now not stable, i.e., not reliable, into more reliable organizational activities. For this purpose, methods of strengthening weak grassroots associations into strong, reliable, and firm organizations need to be examined. In other words, it is important to analyze the factors that lead to effective organizations.

This report attempts to analyze the process of organizing of volunteer activities, as a result of which factors a regional grassroots association (Smith, 1997; 2000) transforms into a strong organization is verified and analyzed.

II Development into an Organization

An organization primarily starts from a small group. The well-known model of Quinn & Cameron (1983) clearly describes how a small group comes to look like an organization through a wide range of processes. The ultimate mature form of the organization is a large corporation. This type of organization has a bureaucratic, somewhat mechanical system.

Non-profit associations also go through a similar development. Werther & Berman (2001) attempt to frame a theory for processes in which an initial small group metamorphoses into a large organization with a board of directors through stages of formation, growth, and maturity. Some time previously, Hasenfeld & Schmid (1989) presented a model for the life cycle of human service organizations. Their model consists of the stages of formation, development, maturation, and elaboration, followed by decline and death. In both studies, a small group, comprising a few volunteers, starts a small and fragile business. Through effort, they achieve several small successes. Repetition of efforts leading to success leads to greater achievements. Several major achievements expand the scale of the group by increasing funds and employees. The group finally becomes a stable management body. Many non-profit associations, other than those under a large nation-wide organization or those affiliated to administrative organs, start from the positive activities of a few competent volunteers. These are grassroots associations. However, the degree of development from a small group differs among grassroots associations. Some may open an office, employ full-time employees, and set up and follow a business plan. Some may

continue minor activities by several volunteers without opening an office or making rules. Some groups do not grow, or prefer to settle in a niche market without any intention of expanding.

In general, however, no accreditation by the government or related organs can be gained without systematic programs, which in turn results in never qualifying to receive subsidies and grants. Moreover, if there are no full-time staff, no one can call the organization to donate to it. Worse, whether donations are used in a responsible manner cannot be checked.

Accordingly, grassroots associations need to build a systematic framework if they intend to continue their activities. They must think carefully about management and control. Since funds for activities are usually not abundant, grassroots associations try to increase funds by increasing clients or activity programs. Meanwhile, independent actions are gradually integrated, and a bureaucratic organization is formed.

Robbins (1990) suggested that three indices of complication, formulation, and centralization are needed as organizing indexes for evaluating the degree of organization. Daft (2001) also gives equal importance to formulation and centralization for structural control. Changing into a group with these characteristics will earn it recognition as a responsible organization. For this purpose, a bureaucratic organization needs to be built. A mere grassroots association will not be regarded as an organization with accountability, and will fail to receive the support of sponsors and donors.

III Size Factor

The development of an organization is closely linked to increase in size. As the organization grows, a system more appropriate for its size is required.

The classic hypothesis formulated by Blau & Schoenherr (1971) says that organizing is a function of the organization's size. More specifically, an organization needs to build a bureaucratic system as it becomes larger. This is because to unify a large group, areas of authority must be identified, rules must be specified, and communications routes must be standardized. Individual roles and responsibilities must be identified. Otherwise, "Too many captains make the boat climb a mountain." (An old Japanese saying similar to "Too many cooks spoil the broth.") To keep on track, the responsibilities of the captain and the jobs of the crew must be determined. This means building a bureaucratic organization.

There are many studies on the relationship between size and bureaucracy (Kimberly, 1976; Daft & Becker, 1980; Bluedorn, 1993). As an organization grows, a range of impersonal devices must be introduced. In general, size has a large influence on formalization (Miller, 1987). For example, Walsh & Dewar (1987) say the imposition of a formal structure must be accelerated, i.e., rules must be set up for identifying the rights and duties of employees and designating official documentation as the organization becomes larger. Samuel & Mannheim (1970) say that face-to-face relationships collapse when numbers increase. The mass group needs a monitoring system to replace face-to-face interactions. The system adopted is always one of official formalities. Mintzberg (1979) points out that increased group size increases the potential for confusion, and therefore rules must be created, and the members made to learn and follow the rules, in order to reduce confusion.

On the other hand, views on the outcomes of expansion in size, i.e., better productivity and efficiency, vary. There are disputes over outcome. For example, a meta-analysis by Gooding & Wagner (1985) indicates that productivity increases but there is no consistent trend towards improved efficiency. This means that the "Absence of net economy of scale effects" is not closely related to size.

With respect to non-profit services, however, there is no need at the moment to focus on productivity and efficiency. There is no need to increase the effects of net economy of scale effects. What non-profit associations need to do is to find a method to reduce confusion due to increased size. It is obvious that systematic management will be required when the volume of services increases or programs increase. Teamwork between members of a group of volunteers also tends to decline as the number of volunteers, service beneficiaries, or programs increase.

If a group of 10 members doubles, the group will be no longer a close-knit goodwill group. In particular, very small groups suffer proportionally more confusion when members increase. Berelson & Steiner (1961) say that personal relations change markedly as a result of even a slight increase in number, particularly in smaller groups. The feeling of goodwill in a group of three may chill markedly just by the addition of one or two more people. Consequently, the size factor is believed to have a major influence on grassroots associations.

On the other hand, however, volunteers acting in a group tend to regard an increase in numbers as a sign of success (Bailey, 1992). Therefore, many group members welcome growth. Volunteer members regard increased size as a measure of the success of their work, which in turn is success in management.

Again, unity declines as the group grows. Systematization is a strategy for uniting and managing numerous volunteers, and is equivalent to the promotion of bureaucracy. Siciliano (1997) points out that expansion in size is the most important motivator for a non-profit organization to create a management strategy. A single united idea is needed to control a large organization. Webater & Wylie (1998) state that a larger organization multiplies the number of factors that need to be considered, and strategies must be intentionally created, in some cases, to balance these factors. To unite the group, a non-profit organization needs to adopt a bureaucratic system.

The main subject of this paper adopts the hypothesis that the size factor, including the number of volunteers and users, triggers the organizing of volunteer associations. This paper attempts to demonstrate that a variety of bureaucratic systems must be adopted as the size of a group expands.

IV Experimental Study

Method

Subject: Grassroots associations mainly consisting of volunteers in Kyoto City, which are associations provide services, mainly for aged people in the city. We distributed 101 copies of our questionnaire, and received 73 answers, including some that did not answer key questions. Answers valid for the analysis totaled 71, giving a valid answer rate of 70.30%.

Kyoto City is one Japan's larger cities, with a population of about 1.4 million. It is also one of Japan's oldest metropolises. The population of people aged 65 and over accounts for 17.2

% of the total population. This is the second largest population of aged people in Japan's designated cities (cities in the metropolitan areas). Accordingly, Kyoto City implements a range of services for aged people. Assisting grassroots associations is also one of its contributions. Many associations receive subsidies and grants from Kyoto City.

The grassroots associations are characterized as described below. These characteristics are also independent variables used in the analysis in this study. The oldest association was established in 1953, and is still in operation. The smallest organization has three members, and the largest organization has about 500. Average membership is 51.83, with a standard deviation of 64.63.

Measurement

Dependent Variables

Organizing was chosen as a dependent variable. Organizing is the degree to which an association has a system in place for implementing systematic activities. It can also be defined as whether an association has a mechanism for mobilizing mass volunteers systematically to achieve a particular goal.

The variables are listed below. Numbers in brackets indicate how many associations out of 71 associations answered "Yes" to each variable. Variables are listed starting with the largest number: Member list (65), Meeting room available for regular gatherings (60), Opportunities for members to meet as a group (58), Regular meetings or members' general assembly meetings (53), Full-time staff (52), Annual business plan (51), Settlement of accounts (50), Records, such as minutes of meetings (41), Rules and regulations (40), Permanent office (38), Meetings and information exchanges with similar associations (32), In-house newsletter (25), and PR pamphlet (21).

It can be said that associations with more of the above characteristics are implementing more systematic activities. These variables are equivalent to the "formulation" in the aforementioned systematization described by Robbins (1990). A one-dimensional aspect was confirmed in a Guttman analysis which showed a lambda coefficient of .854. Therefore, I added all, and used the total as a variable representing organizing processes. Those that did not answer were counted as 0. Average point score was 8.38, standard deviation was 3.34, the minimum point was 0, and the maximum point was 14. There were three associations with 0 points, which means none of these variables were in place. There were also three associations that scored 14 points, which means all variables were provided. The most frequent number of answers was 9.

Independent Variables

Size can be defined in different ways. In the area of human services that satisfy the needs of people such as the elderly, the number of users is clearly appropriate. One association may implement programs for various clients, so in this case the total number of clients would be regarded as a size factor. The number of staff and volunteers involved in each association are also considered as a size factor.

The questionnaire also asked each association about annual expenses for its programs. These expenses are treated as an independent variable, since the volume of expenses will have an influence on organizing processes. Similarly, annual income, including member fees,

donations, subsidies and grants, is regarded as an independent variable.

The year of establishment was also used as an independent variable, because an association may adopt a more systematic management as it gets older. A smaller number shows an older year of establishment.

V Results

The Pearson correlations between organizing and individual independent variables are shown in the first row of Table 1.

Table 1. Correlations between variables

	Income	Expenditure	Number of members	Number of Users	Years in operation
Organizing	.293*	.328**	.345**	.021	-.034
Income		.732**	.059	.209	-.307**
Expenditure			.101	.107	-.115
Number of members				.217	.168
Number of users					-.148
Years in operation					

* $p. < .05$
** $p. < .01$

Table 1 shows that the number of users does not affect organizing processes. It seems that organizing is not triggered by an increased number of users receiving the services. In fact, organizing progresses as the number of members involved in the activities of an association increases. The correlation with organizing is $r. = .328$ ($p. < .01$). An organization having numerous volunteers and staff has an increased need to employ full-time staff or create rules and regulations for management.

One interesting aspect is that organizing advances as the income and expenditure of an association increase. The correlation with income is $r. = .293$ ($p. < .05$), and the correlation with expenditure is $r. = .328$ ($p. < .01$). It is clear that systematic accounts are required when handling large amounts of money. An association needs to be trusted as a management body to collect donations and accept subsidies and grants. Accountability is also important with respect to purpose of use. Alternatively, associations sometimes adopt organizational systems earlier than strictly necessary in order to qualify for subsidies and grants. One association hurriedly set up rules and regulations when unexpectedly given the opportunity to receive a large subsidy.

Historical background has almost no relationship with organizing. Old organizations and new organizations are almost the same with respect to their management. Organizing does not automatically result from a long history.

Figures 1, 2, and 3 show the relations between organizing and the number of members,

income, and expenditure. A multi-regression analysis was also applied by combining these variables. Since income and expenditure have a strong correlation with each other, the income factor was excluded in the analysis to avoid multiple correlation. As a result, the multiple correlation coefficient was .467, and its square was .218. This value supports the effectiveness of these independent variables. The standardized regression coefficient (beta) for each variable was .309 ($p < 01$) for expenditure, .333 ($p < 01$) for the number of members, $-.084$ ($n.s.$) for the number of users, and $-.066$ ($n.s.$) for the year established.

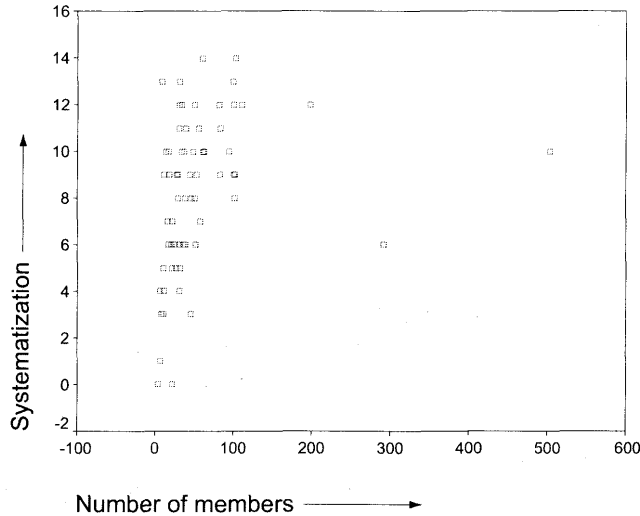


Figure 1. Systematization and number of members

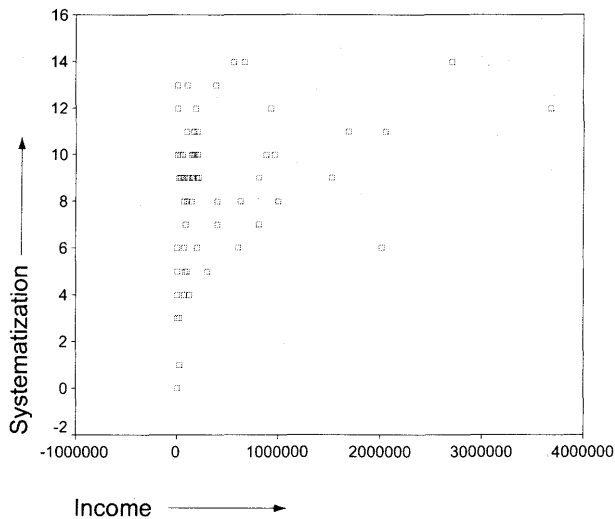


Figure 2. Systematization and income

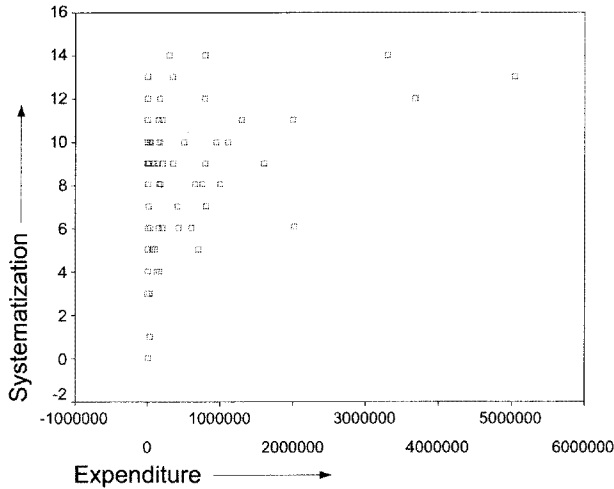


Figure 3. Systematization and expenditure

This paper proves that the size factor is important, but the explanatory rate resulting from the multi-regression analysis is not high enough to conclude that the size factor is dominant. The analysis results reveal that there are other factors affecting organizing.

Child (1988) says that an organization achieving good business results becomes more bureaucratic as its size increases. Organizations with poor business results tend to be less bureaucratic. This means that, unlike the setup of a profit-making venture, a volunteer group does not place much importance on gaining good business results. The general population also does not expect these associations to be financially successful. Accordingly, expansion in size may not lead directly to bureaucratic organizations in the case of volunteer groups, whereas for profit-making organizations, improvement of business results is definitely important. This explains the reason for less explanatory distribution.

The following analysis was also implemented. The above data was divided into two categories: Organizations regarding themselves as achieving good business results, and organizations regarding themselves as not achieving good business results. We asked whether their organization was more successful than other similar organizations, and then calculated the correlation coefficient between the numbers of those who answered "Yes" ($n = 58$) and those who answered "No" ($n = 13$). Table 2 shows the results.

Table 2. Comparison between organizations with good results and poor results

	Income	Expenditure	Number of members	Number of Users	Age
Organizing with good results ($n=58$)	.375**	.347**	.305**	.029	.032
Significant difference					
Organizing with poor results ($n=13$)	-.059	.349	.759**	-.150	-.045
Total ($n=71$)	.293*	.328**	.345**	.021	-.034

* $p. < .05$
 ** $p. < .01$

The correlation between income and the degree of organizing was .375 in the group achieving good results, and -.059 in those with poor results. The significance of the difference in these correlation coefficients was examined using the Chi-squared test, but the results revealed the difference to be not statistically significant ($\chi^2 = 1.774, n.s.$). Organizations regarding themselves as achieving good business results implement systematization in order to use their funds in a responsible manner. Contrarily, a negative correlation was found in organizations with poor results. According to Child (1988), organizations achieving good results need to make the organization more 'formal' as their income increases. A system for achieving appropriate accountability for properly using funds needs to be developed and adopted.

The correlation with the number of members was also analyzed in the same way. This resulted in the opposite trend. Those with poor results showed .759, and those with good results were .305, which is a rather low correlation coefficient. The Chi-squared value was 3.89, showing that the difference is statistically significant ($p < .05$). It shows that the correlation between the number of members and degree of systematization is strong in organizations with poor results. This means that rules must be specified to allow the imposition of a formal structure and a bureaucratic system must be introduced as the number of members increases because otherwise they become unmanageable.

The factors both related to the size show differences in directions influencing organizing processes. When funds for programs increase, an organization positively tries to create a system for using funds efficiently. On the other hand, when the number of members increase, the organization tries to systematize to prevent its business results from declining due to confusion in the organization. In other words, it is a passive and rather negative action. We should pay attention to these two aspects.

VI Discussion

As can be seen in the results of the multi-regression analysis, the size factor is not the only factor affecting organizing. Many other factors impel an organization to organize itself. Of these numerous factors, the organization's size is obviously a large driving factor. As a volunteer group grows from small to large, it needs to introduce a system that works logically to manage the growing amount of money spent and the increasing number of volunteers involved. In particular, a formal management structure must be established to improve business results.

The results of this study suggest that organizing is needed in response to an association's attempts to build an effective organization, in particular for the efficient use of growing funds. The study also suggests that a bureaucratic system will be needed as the number of staff and volunteers involved in activities increases due to difficulty in managing them.

However, the study showed almost no correlation between the number of users and the degree of organizing. This means that a system will be needed urgently to manage volunteers and staff when they increase in numbers, but there is no influence on internal management even if the number of service receivers increases. What does this fact indicate? Several reasons can be given. One is that there may be no need to change a system even if the users increase from 3 to 4 people, 4 to 8 people, or 8 to 16 people. If the number increases sharply, some measures

must be put in place, but a gradual increase can be managed. The quality of service may decline slightly to cope with an increased number of users. For example, services provided 4 days/week may be cut to 3 days/week. These associations mostly provide services to aged people and disabled persons. Therefore, their voice (expressed dissatisfactions) (Hirshman, 1970) may be weak. If the users have strong voice, the owner and manager may pay more attention to management, and organizing may proceed faster.

Some associations remain small and informal even after being in operation for many years. If they are aiming at a niche market at the time of their establishment, and intend to stay there, this is also an important decision. Such associations may continue their operations steadily in the limited market they have identified, and may build a reputation in this small market. Referring to Table 1, since the number of years in operation and income showed a significant negative correlation ($r = -.307$), the analysis results suggest that older associations are financed by a small income, such as member fees. We can assume that these are associations in a niche market that are implementing activities on a mutual support basis. In fact, additional interviews revealed that several self-help groups were included in this study. This type of associations sees almost no changes in members, and furthermore, membership shrinks as time passes.

In general, if a group develops into an organization and its size expands, it is compelled to adopt a bureaucratic system. A group also has the choice to determine not to increase its volunteers or raise too much in the way of funds so as to deliberately limit its size. This approach may be more suitable for realizing their initial mission. Accordingly, grassroots groups may need to decide whether to remain small and continue its niche activities or to expand into a larger entity at some stage of development. If the groups choose to grow, it will soon suffer a conflict between association and bureaucracy, as pointed out by Bills (1973). The dilemma is whether to stress the unity of colleagues or to accept a more mechanical and anonymous role in order to achieve the association's goal. Even if a group faces this conflict, it must introduce an officialized bureaucratic approach to organize its operations to gain public recognition and increase its funds and clients.

This paper reveals that the numerous factors that act to expand an organization also compel it to formulate its organizational framework. Size is one of the factors that come into play during the process of grassroots associations developing into full-scale organizations. However, size appears not to be an absolute determinant. There are other factors that trigger the imposition of a formal structure. Since a grassroots association is often a personal group, a formal management structure may be adopted whenever the managers and those responsible decide to. There may also be an opposite cause and effect relation where a formal management structure will further expand the activities or add more clients.

I intend to carry out a further study on factors other than size which stimulate organizing processes, or bureaucratization, and analyze their interrelations, including correlation with size.

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