

SUPPORT CENTER FOR NONPROFIT MANAGEMENT

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*Leadership and  
Change*



Training, Consulting, and Coaching  
to Build Effective Organizations

# Journal for Nonprofit Management

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### Editor

**John D. Vogelsang**

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## Leadership and Change

Welcome to the tenth edition of the *Journal for Nonprofit Management*, Leadership and Change. The five articles included here offer approaches to leadership in nonprofits, recommendations for constructing an innovative organization, a way to heal organizations in crisis, and a case study of a major community change effort in New York City.

Many Community Based Organization executive directors are looking for ways to improve their management skills. **Carolyn J. Curran** presents a user-friendly adaptation of an academic and research based Transformational Leadership model that has proven effective with many nonprofit organizations.

Building upon years of work in the federal government, **James O. Bates** offers two basic leadership theories, path-goal and leader-member exchange, that can be used to frame the process of implementing programs and acquiring needed political, social, and economic resources.

Inspiring social change requires innovative organizations that can conceive of new ways to approach both old and new problems, are able to evaluate and act on opportunities that present themselves, are able to listen and adapt, and are accountable to the people they serve. **Trish Ruebottom** and **John Baker** describe ways to create innovative organizations that can deal with change, foster staff creativity, and leverage their assets.

Many nonprofits are failing or at risk for failing. **Donald Fann** believes that these failure rates are due less to inadequate funding than to organizational and management factors such as the unwieldy way decisions are made, actions are executed, conflicts are resolved, fiscal problems are handled, and planning is done. He offers a change process called *organizational healing* – a solution that involves identifying and addressing the symptoms or indicators of an unhealthy or at-risk organization and addressing the core issues that created those symptoms in the first place.

Recognizing the limitations of emergency programs, the United Way of New York City attempted to help low-income households take full advantage of existing, largely federally funded programs and support. **Mary Stuart Sagnette** and **Stephanie Copelin** describe the development, implementation, and impact of UWNYC's community change initiative, the Food Card Access Project, designed to increase Food Stamp utilization in order to stretch budgets and prevent hunger, while bringing federal dollars to the local economy.

We invite your comments about the current articles and your own articles for inclusion in future editions. Details about submission are on the inside title page of the *Journal*.

John D. Vogelsang  
Editor

# Build Better Communities with Better Management

**Carolyn J. Curran**<sup>1</sup> *executive coach, board and staff capacity builder, organization change facilitator, working with clients in international development, health, and the arts*

Now that the nonprofit sector as we know it is in its fifth decade, some Community Based Organization (CBO) managers are waking up to the fact that they can improve their management practices and as a result, improve their service impact. In order to improve their management they are facing a variety of challenges. Some continue to be totally consumed and obsessed with the mission and programs, so that management seems irrelevant and a nuisance. Some find themselves encouraged (or even compelled) by funders to apply business management in ways that can stray from the mission and alienate staff from constituents; or they can be seduced by the lure of funders' money to implement inappropriate procedures and values. Many CBOs are constantly in crisis mode where there is never enough money, staff, volunteers and other resources, and thus have little or no time to even think about management as a possible solution. Some operate from a poverty mentality that seems endemic to the nonprofit sector, and makes CBO managers blind to the options they do have for improvement.

Typically, CBO managers come up through the ranks of the program (arts, social work, etc.) to become a manager, and are thus not experienced in managerial skill sets. Some boards of directors hire their executive directors for their program accomplishments rather than leadership and managerial expertise, resulting in a mis-match to the job and poor leadership. CBO executive directors have a natural tendency to go with their familiar strengths (i.e. program-related) and can be intimidated to the point of avoidance by management functions. Some operate with the false belief that professionalism equates to keeping emotional distance and offering little support to staff, thus validating a sink or swim corporate approach as a norm.

Even though the awareness of the link between management and services is growing, there is a lack of skills and tools to measure impact. The link between management and services needs to be more concrete in order for organizations to really thrive. Some skills that will help CBO managers to demonstrate service effectiveness more concretely are:

- Acquiring skills and tools for facilitating focus groups and conducting surveys in order to measure qualitative effectiveness (making the world a better place, reducing suffering)
- Learning how to measure quantitative effectiveness in a field where most activity is qualitative
- Developing staff performance indicators to help staff improve their management and program skills, and instituting procedures that support performance improvement
- Meeting the challenges to define *productivity* in the nonprofit sector, thus applying measurement practices without bureaucratizing programs and reducing their impact

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The good news for CBO managers is that there are resources out there to help them improve their management skills. Once they plunge in and try, they learn that improving their management is an enjoyable and rewarding learning opportunity.

Two examples from my recent client work illustrates the two ends of the spectrum of CBO managers. At the one end of the spectrum is the young, grass roots, emerging organization with relatively inexperienced leadership. The Women's HIV Collaborative of New York City has taken the approach that they can build healthier and more responsible management into the organization's very DNA, right from the start. In just five short years, their staff and board leaders have created an inclusive, women-cultured management structure that is flexible and responsive, and produces exemplary advocacy and information services on a budget of less than \$200,000 per year.

At the other end is the established organization, attempting to break through the calcification of decades spent in a status quo mode, and recapture its relevance in our millennial world. The Federation of Protestant Welfare Agencies is over 80 years old, with a multi-million dollar budget, a hefty endowment, its own Landmark building, and a traditional role helping New York City's poor. It is involved in a process of examining and renewing its culture and communication practices, its vision, mission, and goals, in order to infuse staff and volunteers with new vitality. Thus, an older organization can consciously choose to get a new lease on life.

In either scenario, and in all of the many variations in between, CBO managers can use the Responsible Management Model described here. Yes, it is easier to create effective management practices from scratch than it is to deconstruct an older model, with all its built-in resistance to giving up the status quo; however, both are possible.

Ultimately, all organizations will have to engage in something like this modern management transformation for organizational survival, given the acceleration of change and the increasing intensity of challenges in our world. Organizations following the older and more static models will simply not survive. This article presents a user-friendly adaptation of an academic Transformational Leadership model (Bass and Avolio, 1994) that has been proven effective with community health center managers (Xirasagar, et al, 2005) among others.

## **HOW RESPONSIBLE MANAGEMENT CAN HELP**

I have used my own version of the Transformational Leadership model with many of my CBO clients in different program fields, and they get excited because it illuminates so much for them. Their favorite part is that Responsible Management allows them to visualize a sense of progression—a path out of being stuck. Many nonprofit managers don't really think of management as a function per se. They just think of themselves as putting one foot in front of the other every day, to try to chip away at the proverbial mountain. This model gives CBO managers a bigger pick to chip away at that mountain more effectively.

I call it Responsible Management, because implementing these management practices increases individual responsibility on the part of everyone who is managing and everyone who is being managed, and promotes the concept that everyone is a leader. In truth, the root of Responsible Management is increasing self-management on everyone's part, at every level of the organization.

**RESPONSIBLE MANAGEMENT MODEL**

A major hallmark of management in the past few decades has been to reduce the authoritarian, hierarchical approach, resulting in flatter organization charts. When an organization gets rid of its old-style bosses and does not replace them with new techniques, however, what results is poor management. Different styles of poor management include Laid Back management, Crisis Management, and Carrot-and-Stick Management. Here is a comparison of their lack of effectiveness with Responsible Management.

***Laid Back Management***

In Laid Back Management, the manager lets people act without interference or direction. This style assumes that people can take individual initiative without supervision or support. This is also called Laissez-Faire Management, a French idiom which roughly means *let people do as they please*.

<b>LAID BACK MANAGEMENT</b>	<b>RESPONSIBLE MANAGEMENT</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Top manger(s) make most of the decisions</li> <li><input type="checkbox"/> Others are rarely, if ever, consulted</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> There is democratic, participatory planning</li> <li><input type="checkbox"/> It is part of routine, normal operations</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Most personnel conflicts or problems are observed but ignored</li> <li><input type="checkbox"/> Problems continue until they disappear on their own</li> <li><input type="checkbox"/> A common solution to conflict is that people are abused or fired</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Managers engage with staff to promote the positive</li> <li><input type="checkbox"/> Relationship-building and team-building are part of the normal management practice</li> <li><input type="checkbox"/> The few conflicts that arise are nipped in the bud before they become major</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Individual successes do happen sometimes</li> <li><input type="checkbox"/> Staff sometimes enjoys the freedom of being able to act without interference</li> <li><input type="checkbox"/> Lack of guidance leads to many mistakes</li> <li><input type="checkbox"/> Overall effort is fragmented</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Manager clarifies tasks in detail in advance</li> <li><input type="checkbox"/> Usually, the person(s) affected by a decision have input</li> <li><input type="checkbox"/> Everyone is moving in the same direction</li> <li><input type="checkbox"/> Productivity increases continually</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Emotional atmosphere of isolation, fear and anxiety</li> <li><input type="checkbox"/> Frequent gaps in communication</li> <li><input type="checkbox"/> Complaining behind others' backs</li> <li><input type="checkbox"/> Blaming others</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Managers pay attention to individual development, foster learning and collaboration</li> <li><input type="checkbox"/> A culture of fun and creativity prevails</li> <li><input type="checkbox"/> Negative emotion is expressed and brought to resolution</li> </ul>

***Crisis Management***

A Crisis Manager waits until something seems to be going wrong and then pounces on it. Crisis Managers often start off as Laid Back Managers and come to realize that they have to step in and do something. This is also called Management by Exception or MBE—waiting until something exceptional happens before you act.

<b>CRISIS MANAGEMENT</b>	<b>RESPONSIBLE MANAGEMENT</b>
<input type="checkbox"/> Manager delays dealing with crises as long as possible	<input type="checkbox"/> Manager actively seeks crisis prevention <input type="checkbox"/> Pays attention to both tasks and emotions <input type="checkbox"/> Addresses emotions to help people cope
<input type="checkbox"/> When crisis comes to a head, manager finds someone to blame and enforces punishment	<input type="checkbox"/> Manager engages others in problem-solving <input type="checkbox"/> Rewards mistakes as learning opportunities for the individual, team, department or organization as a whole
<input type="checkbox"/> Loves status quo, avoids signs of danger or change <input type="checkbox"/> Stays distracted, passes the buck <input type="checkbox"/> Functioning on auto-pilot is encouraged—the mantra is “don’t rock the boat”	<input type="checkbox"/> Always looking and learning <input type="checkbox"/> Observes nuances, not just the obvious <input type="checkbox"/> Embraces change
<input type="checkbox"/> Constantly monitors for mistakes <input type="checkbox"/> Focuses on mistakes and tries to correct them <input type="checkbox"/> Practices conflict resolution on emergency basis	<input type="checkbox"/> Constantly monitors for what is going right <input type="checkbox"/> Builds on what is going well <input type="checkbox"/> Practices conflict prevention in many ways <input type="checkbox"/> Often points out what is going right to everyone
<input type="checkbox"/> Documents transgressions and makes personnel decisions based on them	<input type="checkbox"/> Documents achievements and makes personnel decisions based on them

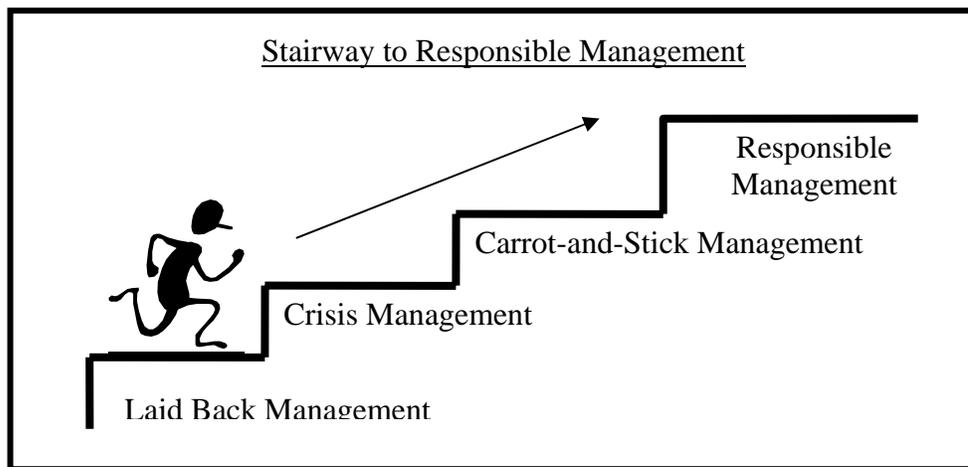
***Carrot-and-Stick Management***

Carrot-and-Stick Managers try to strike a bargain with their staffs. The manager will hold out a carrot (rewards, such as a financial bonus or Employee of the Month plaque) in exchange for some desired staff action. In cases where the carrot does not work, then the stick (punishment) will be applied. This is also called Transactional Management, where managers bargain for a tradeoff.

<b>CARROT-AND-STICK MANAGEMENT</b>	<b>RESPONSIBLE MANAGEMENT</b>
<input type="checkbox"/> Rewards and goals generally chosen by the manager <input type="checkbox"/> Manager provides rewards in return for staff achievement of pre-designed goals <input type="checkbox"/> Managers assume staff have to be prodded to produce (lack of trust in self-motivation) <input type="checkbox"/> Micro-management	<input type="checkbox"/> Routine way of measuring accomplishment for individuals and teams is created in partnership <input type="checkbox"/> Emphasis on self-evaluation, less external scrutiny <input type="checkbox"/> Rewards are only one factor in motivation <input type="checkbox"/> Managers trust staff commitment to mission and frequently express this trust
<input type="checkbox"/> Provides punishments for negative outcomes	<input type="checkbox"/> Mistakes are learning opportunities, not a crime

<ul style="list-style-type: none"> <li><input type="checkbox"/> Manager retains control of most decision making</li> <li><input type="checkbox"/> Manager may invite input to trivial issues, e.g. where to put the coffee area</li> <li><input type="checkbox"/> Hierarchical behavior is the norm</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Democracy rules, even in silo charted organizations</li> <li><input type="checkbox"/> Peer teamwork is the norm</li> <li><input type="checkbox"/> People know and exercise the difference between input, decisions, and recommendations</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Personnel policies emphasize what staff must do for the employer</li> <li><input type="checkbox"/> All staff are required to follow the rules with no exceptions</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Personnel policies balance what staff must do for employer with emphasis on the support provided by the employer to the staff</li> <li><input type="checkbox"/> Managers treat each staff as unique</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> People are hired based on what they bring to the job and expected to do whatever they are required to do, regardless of development opportunities, or lack of them, until they burn out</li> <li><input type="checkbox"/> Then they are discarded or leave in disgust</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> People are supported in specific ways to grow constantly, so their roles and responsibilities continue to grow</li> <li><input type="checkbox"/> Personal and professional growth = motivation, productivity, better community services</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Manager assumes a professional façade and distance from staff</li> <li><input type="checkbox"/> Manager takes all or most of the credit for achievements</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Manager models authentic behavior, does not hide flaws, encourages others to do same</li> <li><input type="checkbox"/> Manager connects emotionally to individuals</li> <li><input type="checkbox"/> Manager shares credit for achievements</li> </ul>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Manager verbally encourages initiative but does not create the conditions to make it flourish</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Manager creates environment to support initiative</li> <li><input type="checkbox"/> Manager inspires people</li> <li><input type="checkbox"/> Manager provides meaning and simplifies complex experiences and ideas</li> </ul>

I believe, and this has been verified by research, that the most effective style is Responsible Management. Below is a chart showing all the management styles described above, and the path one can take toward becoming a better, more effective community manager. The result is a happier, more productive staff and better community services.



## DEFINITION OF RESPONSIBLE MANAGEMENT

Responsible Management is a partnership between two parties: (1) the manager and (2) the staff. Each person takes responsibility for:

- Creating agreement on the vision and goals of work to be done
- Creating an environment in which all parties can meet their needs for connection, achievement, creativity and input to decisions that affect them
- Going above and beyond any prescribed definitions of her or his job to make a contribution to the vision, goals and community

In old-style management, decisions about vision, mission, goals, and work to be done are made by the manager and then staff is managed to achieve them. This is what I call a we/they model. The power resides mainly at the top. Top leaders manipulate people to do what leaders want them to do.

In Responsible Management, staff are involved in key decisions and people become self-managing as a result. A major principle is that people are motivated to do what they have realized themselves needs to be done, and have therefore agreed to do. It is not about creating buy-in to a concept that is already formulated by management. When the staff themselves initiate action, the motivation is already inherent in the decision process, so there is no separate effort needed to create buy-in.

The role of the Responsible Manager is to teach, inform, provide reasonable parameters and lead people in self-actualizing. Communication is both bottom-up and moves in all directions. The role of the manager shifts from giving directives (with some input) to being a facilitator (where there is massive input from others, with guidance from the leader).

Note that the words *responsibility* and *responsive* are related. All partners in Responsible Management are responsive toward one another and toward colleagues and clients. It is not anarchy. In Responsible Management, people are confident that their response to changing circumstances will be supported and respected. This includes everyone at all levels, including the manager.

Two of the most important underlying principles of Responsible Management are self-management and fostering leadership at all levels. By adapting the principles and practices discussed in this article, CBO managers can begin to achieve both.

## **HOW TO IMPROVE RESPONSIBLE MANAGEMENT SKILLS**

Many, if not most, nonprofit managers believe they are already exercising Responsible Management. Most managers use a mix of the styles listed above. Below is a tool managers can use to find out where they stand, as well as two steps to amp up management effectiveness.

### ***Increase Self-Awareness - 360° Feedback Evaluation***

The first step in any behavior change is the change in self-awareness. Reviewing these checklists is one way of raising awareness. We all have blind spots, which can cause us to under-estimate some skills and over-estimate others. One can develop a more accurate self-assessment to improve management and supervisory leadership through a combination of self-help and professional help from a leadership development consultant.

The first time I did this 360° exercise, I consistently under-estimated my abilities compared to the ratings of my colleagues. Not only was experiencing this discrepancy a great confidence-building for me, but I also discovered ways in which I could improve.

A 360° feedback evaluation will give more accurate feedback than doing a self-assessment alone. For example, the CBO manager (Jane) and consultant (in this case, me) worked together to develop an evaluation form to make sure it covered both the key issues she wanted to discover about herself and the objective standards of managerial best practices.

Approximately eight people were asked to fill out the form and submit it to me anonymously. They include:

- Jane (self-assessment)
- Two or three people Jane supervises
- The person who supervises Jane (board chair)
- Two other board members who work closely with Jane
- Two colleagues who work with Jane (other ED's, other consultants)

I always make sure that more than three people fill out the checklists; this ensures anonymity which is essential for the 360° exercise to work well for the manager. When I received all the forms, I compiled a profile showing Jane's strengths and areas to be improved. Areas to be improved are NOT called weaknesses. Calling something a weakness implies that it cannot be changed.

Then Jane and I discussed the profile, exploring it like this:

- How did Jane's self-assessment agree with the aggregate assessment of others?
- Has Jane under-estimated her skills in some areas and over-estimated them in others?
- Where would Jane like to improve?

Most importantly, the whole discussion emphasized Jane's strengths compared to improvement areas, in a ratio of at least 5 to 1. Management research has shown that this is the ideal ration of accomplishments vs. challenges in any information exchange. People can only build on their strengths. Focusing on weaknesses tends to expand their influence.

After thoroughly exploring Jane's strengths, we then prioritized improvement areas in order to address one issue at a time. It is counter-productive to require any manager or staff to improve a whole shopping list of areas all at once. We created a personal and professional development plan for Jane; identified institutional supports for her plan (e.g. a budget for classes, workshops, books, and coaching; work time to do it; a Buddy System or work support group to monitor and advise); and work together over several months in a coaching relationship to support her efforts.

A 360° feedback self-evaluation is a great learning tool for updating one's fundamental beliefs and concerns about management. More than any other tool, it can provide the springboard for a self-improvement plan that works.

### ***Supervision Tips***

Here are a few simple tips that any manager can use to become a better manager very quickly, and in a sustainable way:

- Limit the number of people any manager supervises to 4 or 5
- If managers are now supervising more than 4 or 5, find ways to restructure and reassign responsibilities
- Spend at least 30 minutes a week (preferably an hour) with each supervisees, individually, and in privacy
- Keep the dates—do not bounce them around the schedule and express difficulty making the time to be with them
- In general, ask more questions and listen more
- Give more feedback, on a positive/negative ratio of at least 5/1

The typical positive/negative ratio is about 1/20 or even higher on the negative side. Even if negative comments are called *constructive criticism* it's still a wolf in sheep's clothing. It may take some practice to reverse this ratio, as it will take practice to change any of these behaviors.

When one follows these guidelines, staff will be much more capable of self-management and leadership.

### ***Learn How to Increase Participation***

If I had to pick just one thing that would enhance CBO management, energize people in organizations to take more responsibility, work more collaboratively, and be more accountable, it would be:

**IMPROVE THE MEETINGS**

We spend a huge amount of our work life in meetings. By *meetings* I mean everything from:

- One-to-one meetings with individual staff, board, volunteers, funders and other stakeholders
- Small groups (3 to 9 people – teams, program and/or management staff, departments, committees, etc.)
- Large groups (10 or more people – whole staff, whole board, whole organization, constituents, volunteers, etc.)

Quality of meetings will improve overall communication and change the culture for the better, regardless of organization structure, history, finances, or any other factor.

Great meetings:

- Support decision making from the bottom up
- Foster multi-directional communications
- Energize people to go the extra mile
- Open people up to learning
- Help individuals take responsibility
- Promote teamwork
- Expand trust, reduce blame
- Make the organization culture healthier
- Establish accountability

Everyone wins through participation. Learning to be a participative manager is the principal core competency of a CBO manager practicing Responsible Management.

## CONCLUSION AND WHAT TO DO NEXT

After implementing this advice, managers will achieve some important improvements:

- Staff will be more effective
- People will be working together more harmoniously.
- There will be a stronger sense of community within the organization that will enhance the sense of community with clients and constituents as well
- Such improvements in management effectiveness have financial rewards as well as benefits in relationships and programs.

Creating and following a development path and becoming a more responsive and participative manager is a great place to start. However, it is only the beginning.

There are other tasks and methods that will grow out of the basic activities described in this article, and which will play an important role in future improvements to management and the organization's performance. Here are a few other improvement strategies down the road:

- Creating excitement about learning and applying organizational experiences to future plans.—this is called developing a *learning organization*

- Providing educational experiences for both managers and staff to learn about various leadership and learning styles that will enhance skill-building as well as teamwork (e.g. more in-depth knowledge of this MLQ model, Kolb's learning styles, Myers-Briggs Type Indicators, and so on)—the more the staff learns, the more tools they all have to become self-managed leaders (see Resources, below)
- Strengthening team-building skills with the result that people not only work together more productively but grow in competence in many important arenas (e.g. communications, collaboration, innovation)

For now, set aside these future challenges. The important thing right now is to start small and take one step at a time. The aspiring Responsible Manager does not need to feel overwhelmed by the fact that this learning curve is ongoing. The important thing to focus on is to start small and take one step at a time. Here are some resources for improving meetings and overall management.

#### SOME RESOURCES FOR CBO MANAGEMENT AND FACILITATION

- Robert Benfari, *Understanding Your Management Style, Beyond the Myers-Briggs Type Indicator* (Lanham, MD: Lexington Books, 1991) [www.myersbriggs.org](http://www.myersbriggs.org).
- Centre for Development and Population Activities (CEDPA), *Training Trainers for Development*, 1995. [www.cdpa.org.za](http://www.cdpa.org.za)
- Carolyn Curran, *Building Responsibility with Great Meetings*, a PowerPoint presentation available on request. Contact me through [www.growyourorg.com](http://www.growyourorg.com).
- Michael Doyle & David Straus, *How to Make Meetings Work, The Interaction Method* (New York: Berkley Trade Paperback, 1993).
- Jeanne Gibbs, *Tribes, A New Way of Learning and Being Together* (Windsor, CA: Center Source, 2001) [www.tribes.com](http://www.tribes.com).
- Grove Consultants International, *Principles of Facilitation* (San Francisco: 2002) [www.grove.com](http://www.grove.com). Using graphics in facilitation.
- Dee Kelsey & Pam Plumb, *Great Meetings! Great Results*, self-published, 2004, [www.greatmeetingsinc.com](http://www.greatmeetingsinc.com).
- David Kolb, *Experiential Learning: Experience as the Source of Learning and Development* (Upper Saddle Rive, NJ: Prentice-Hall, 1984) Adult learning styles.
- Harrison Owen, *Expanding Our Now, The Story of Open Space Technology* (San Francisco: Berrett Koehler, 1997) [www.openspaceworld.org](http://www.openspaceworld.org).
- Carol Pierce, *The Power Equity Group, A Guide for Understanding Equity and Acknowledging Diversity*, self-published, 1998, [www.newdynamicsconsulting.com](http://www.newdynamicsconsulting.com).
- Tom Rath & Donald Clifton, *How Full is Your Bucket? Positive Strategies for Work and Life* (Princeton: Gallup Press, 2004).
- Ronald Short, *Learning in Relationship*, self published, 1998. [www.learninginaction.com](http://www.learninginaction.com).
- Diana Whitney & Amanda Trosten-Bloom, *The Power of Appreciative Inquiry, A Practical Guide to Positive Change* (San Francisco: Berrett-Koehler, 2003) [appreciativeinquiry.case.edu](http://appreciativeinquiry.case.edu).

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- Buckingham, M., & Coffman, C. 1999. *First break all the rules: What the world's greatest managers do differently*. New York: Simon & Schuster.
- Xirasagar, S, Samuels, M., & Stoskopf, C. 2005 Physician leadership styles and effectiveness: An empirical study. *Medical Care Research and Review*, 62 (6), 720-740. This study demonstrated the link between transformational management and effectiveness, satisfaction with the leader and subordinate extra effort, as well as organizational goal achievement.
- Perls, F., Hefferline, R., & Goodman, P. 1994. *Gestalt therapy, Excitement and growth in the human personality*. Gouldsboro, ME: Gestalt Journal Press.

## Public Leadership and Change: A Community Leadership Education Framework

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One of the basic tenets of a leadership development program is that leaders are people that make things happen by motivating individuals and groups to achieve more than they might have otherwise. Whether turning around a failing organization, mobilizing public action to solve a neighborhood problem, or leading a nation through a crisis, leaders can be found communicating vision and the value of a set course-of-actions to followers, gathering resources for the purpose of taking action, and taking action. In light of this, community leadership programs must teach participants methods for formalizing the process of implementing programs and acquiring political, social, and economic resources to produce desired social outcomes. While knowing how to implement social programs is an important part of leadership, understanding the processes of garnering and sustaining resources is essential (Moore, 1995; Heifetz, 2002; Northouse, 2004).

Two basic leadership theories can be used to frame this developmental proposition. They are path-goal and leader-member exchange. Path-goal is an organizational theory that attempts to explain how leaders motivate subordinates to be productive and satisfied by relating leader behaviors to the characteristics of subordinates and project tasks. It is derived from research on the notion that employees will be motivated if they feel that they are able to accomplish their tasks, their efforts will be supported, and the *pay-off* from their work is valuable (Northouse 2004). Specifically, it demonstrates how achievement-oriented, participatory, and directive leadership styles impact the productivity and work satisfaction of subordinates.

Leader-member exchange is an organizational theory that views leadership as a process centered on the leader-follower relationship. Researchers have found that high quality exchanges between leaders and followers result in followers feeling better, accomplishing more, and helping the organization to thrive. Both theories go on to explain how leader behavior impacts organizational outputs, and ultimately, organizational outcomes.

What these theories hold for public leadership practice is that effective leaders must push to realize a shared vision for action within the organization as well as from the public. What they also hold for practice, when combined with policy-making, is that leaders must not only learn how to communicate the *meaning* of action but also learn how organizational characteristics, strategy, and program implementation – with emphasis on working with authorizers, political agents, the media, and public interest groups – integrate to form policy choice and frame the constraints of public decision-making and action.

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**A PUBLIC LEADERSHIP DEVELOPMENT FRAMEWORK**

While there have been many scholarly debates about the competencies required to influence policy decisions and understand political agendas, it is believed that problem solving, situation awareness, negotiation, communication, and political management skills are hallmark. But how do these traits coalesce to assist leaders to produce envisioned change? In the context of social output production, leaders ply their skills through institutional arrangements that integrate resources like tax dollars, technically savvy staff, and legislation to produce desired social goods or services. For example, a skillful police chief can apply new legislation and tax-dollars to his/her department’s detective unit to solve more crimes and therefore increase public safety. The output might be more detectives, the introduction and use of new technology, and stricter laws for criminals, while the outcome will be fewer criminals on the street committing crimes. The leader, as part of the visioning and value testing phase of a social proposition, must estimate the competencies and resource mix required to produce desired outputs. In government agencies and private corporations this is rationalized through the budget process.

**TABLE 1**

**STRATEGIC ALIGNMENT/ PRODUCTION POSSIBILITY TRANSACTION MATRIX**

		Resources	
		+	-
Competence	+	<b>Operational Shift</b>	<b>Shareholder/ Authorizer/ Institution Alignment</b>
	.	<b>External Alliance/ Coercion Innovation</b>	<b>Strategy Gap</b>

**Leadership Challenge Area**

As illustrated in Table 1, resource and competence endowments must be considered when calculating social production possibilities and the strategic alignments required to insure production. While production resources like land, labor, political capital, social capital,

technology, and dollars are widely understood for their roles in a transaction or production process, institutional competencies are less explicitly understood for their role. Institutions are any form of arrangement that bring people together for goal and task achievement. This includes such arrangements as ad hoc voluntary neighborhood groups, paid volunteer groups, private and public corporations, and government entities. Things like group ability and willingness to learn, adaptability, ability to manage organizational stress, technical ability, and motivation denote institutional competence.

Under the general model illustrated in Table 1, when a leader has assessed a social problem within the context of organizational goals, defined what is to be accomplished, and is ready to take action, production of a valued social outcome is most probable when *competencies and resources are abundant* and least probable when they are absent. Albeit, the lack of resources does not mean that social production is not possible. Leaders are merely challenged to orient existing groups and institutions toward a specific vision and set of tasks, and create the operating environment and community synergy required for the effort. Per the model, one only need realign organizational priorities and processes to achieve desired outputs in a resource and competence rich environment and conversely, in a *resource and competence poor environment*, one must almost reinvent the organization, develop strategic alliances, test the social value propositions, and gain new financial and legislative authority to achieve the social goal.

For an operational shift to occur, one must orient people and resources toward the desired outcomes and the client population to be served, a conceptual framework that describes what success will look like, the specific metrics to be used to evaluate success, and the institutional implications of the changes on procedures, resources, and people. This can be managed through new strategic and operating plans, and support training.

In a *resource rich but competence deficient environment*, one has to develop external alliances in addition to aligning operational priorities and resources to achieve desired outputs. A leader may also promote the use of technology or other innovations to compensate for the competence deficiency. In order for an innovation to be introduced, there must be a disruption of institutional processes and routines that reinforce existing arrangements for delivering benefits. This may be challenging as institutions routinize practices in order to reduce costs, resource misallocations, and system distress. While the arrangements allow an institution to decrease the overall production cost of an output through a repetitive production process, the inertia caused by this process also hinders organizational learning and the ability of group members to react to a change in consumer needs. In these instances, a leader must use past institutional experiences and routines to conceptually map-out the new situation and the actions to be taken, as a result of new information, to overcome the new challenges and obstacles. While this new conceptual map may be met with *resistance*, leaders should be able to illustrate how the new situation will not be addressed by current practices and will require institutional adaptation and change. Institutional adaptation and change can materialize as either collaboration/coercion of an external partner or product/process innovation. By example, if a national environmental action group once produced grassroots community policy/issue campaign training seminars on VHS tapes but is confronted with a shrinking market for video training products, the firm may choose to produce real-time training seminars in streaming online video to capture new market opportunities. In this scenario, while the firm could consider continuing the use of existing processes, the outcome would ultimately be the loss of influence and eventual shutdown. By repackaging the core content in a new medium, the

organization renews the range of products and services it produces by creating a completely new line of products and services – in order to secure the future of the group. By contrast, the firm can outsource the distribution component of the work to a technically savvy firm and refocus its core efforts on content and client development. This type of collaboration allows the firm to access skills that are not current in the organization while allowing it to continue building its core competence.

In a *competence rich and resources deficient environment*, one has to shift the operating priorities and acquire new resources to produce a desired outcome. Production resources include traditional assets like land, labor, political capital, social capital, technology, and dollars and nontraditional social “cohesion” ones like tolerance and trust. The leveraging of nontraditional resources is common in situations where experimentation and adaptation is required to solve a problem. For example, as with many health-related social problems, solutions are not always readily identifiable. Leaders require the public to grant them authority and resources for experimentation and a degree of tolerance for the *real time* learning that will be required to solve the problem. Concomitantly, public organizations require legislators and other authorizers to provide ongoing resources for solving problems when solutions are not forthcoming. This was recently evidenced in the 2005 bird flu epidemic.

Although U.S. residents had not yet been affected by bird flu, public leaders mobilized resources for research and development, and a vaccine distribution network for the problem – referring to the problem as a *pandemic*. In order to do this, public leaders released stories about the problem to the public, convened national and international public health scholars to discuss the implications of the problem on human habitats, and set-aside funds. As a result of this and other communication efforts, President Bush was able to garner public support for committing resources to addressing this problem and aligned the U.S. with the world community – to solve it – despite the general public’s lack of knowledge of the true impact of the flu and the lack of a vaccine.

### **TRANSACTION STRATEGY EXPLAINED**

While some models presume that leaders must possess certain basic traits to create change, the transaction model presumes that leaders must have a basic framework for orienting institutions and resources toward goal accomplishment, and that group and organizational behavior are already part of the critical decision-making lens being used in conjunction with communication principles to convey the intrinsic value of social production solutions. This does not mean that personal traits and an understanding of such things as the culture of an organization and the downstream political consequences of decisions are not important; it merely presumes that these matters should be viewed in the context of mission, tasks, and endowments. By example, if an institution has the competencies and resources to produce something of public value that is also consistent with its mission, then a leader should have to merely externalize that value and insure that it is taken up by the broader organization and manifest as an actionable item: a new widget, a campaign, a policy. This would require the leader to understand what is of value to the institution and political marketplace, communicate the value of the proposed solutions to relevant constituents, and mirror the values in framing the action-choices and anticipated outcomes.

In a government agency, this could manifest as a revised business plan in which managers and staff are encouraged to translate a new direction into concrete measurable actions. An agency that

produces housing may decide to also produce homeless shelters or homebuyer education. An agency that produces crime prevention services may also decide to produce youth leadership or community policing activities. In a volunteer group such as neighborhood crime watch, this could manifest as a new action item to promote other quality of life initiatives. In either instance, the new value might be framed as a new initiative that is consistent with the existing mission and institutional capacity. Task participants would be persuaded to understand that the new goal is to be accomplished with little more than an operational reorientation and shift of resources.

In situations where resources and competencies are lacking, like in some fledgling organizations, inner city neighborhoods, or developing countries, leaders may be forced to create a public preference for an action by demonstrating how a current policy, practice, or state of affairs is not for the common good and does not reflect a value that is upheld by the community. This inconsistency is then used as a vision and positioning point to garner allies, and internal and external support for a course of action for the common good. A leader, through the framing of issues and actions to different constituent groups being sought to give an agenda traction, tests the value proposition of a proposal. The leader's ability to garner support and authority to take action validates the proposition. An example of this can be seen when neighborhood groups form, as a result of one person, in areas where resident associations are absent, and local legislators and police are forced by the mobilized citizenry to make the area safer and more livable. For this type of situation, a strategic challenge, a leader must use the principles outlined in the three sections of the matrix in combination with the principles of agenda-setting to insure broad public awareness and support for the social action and values it represents.

## CONCLUSION

Although the model does not address many of the major questions that surround leadership development, it does point to the importance of organizational arrangements, task characteristics, developmental constraints, and strategic alliances in framing a social agent's choice of action.

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## Creating an Innovative Organization

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It is said that change is the only constant in the world. It is also the most difficult factor to predict, manage, and support. Creating an organization that can not only deal with change, but can nurture the creativity of its people and leverage their unique assets to encourage change is a difficult feat. Managing the chaos of change is not easy, but the knowledge economy demands innovation and entrepreneurship in *all* sectors and areas of work, community, and life.

### THE NEED FOR CHANGE

*Our thinking creates problems which the same level of thinking can't solve.*  
- Albert Einstein

Nowhere is the need for change more important than in the social sector. Inspiring social change requires organizations that can conceive of new ways to approach both old and new problems, are able to evaluate and act on opportunities that present themselves, are able to listen and adapt, and are accountable to the people they serve. It requires new ways of conceptualizing problems as well as new ways of solving the issues.

Innovation is required in order to change the world. We cannot stop at the innovations that have already been developed and simply perpetuate the same programs over and over again. There is a need for constant regeneration; even when solutions are working. Have you ever noticed that what was successful the first time, often does not work the second or third time? This is because 99 percent of the reason something innovative was successful is *because* it was new: it stands out, gets people's attention, differentiates, and, equally as important, it was designed for a specific need in a specific context at a specific time. Solutions are rooted in a complex context of inter-connected factors. What works is therefore dependent on each of the connections. Something that works creates change in that environment, changing the context, and thus changing what works. Sometimes, small incremental change will make something relevant again. Sometimes a whole new process or activity is needed to solve the problem, because there has been a shift in the entire system that underpins the problem. What can we take from this? Be creative. Allow yourself to dream. But make sure you know your context.

The definitive example of an innovative company in the for-profit world is 3M – the creator of sticky notes and Scotch tape among many other inventions. They actually reward employees for failure, as long as it is new failure. General Electric recreates itself every few years, throwing out all pre-conceived notions about the identity of GE and disregarding the old strategy. In the nonprofit world, we have seen innovation from all around the globe: the Grameen Bank saw the need for alternative financing in India that used a new form of collateral: social groups. They have

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now branched out into many new initiatives, in an ever-changing fight against poverty. Juma Ventures decided to start its own social enterprise to provide employment for at-risk youth by licensing the Ice Cream shop, Ben & Jerry's; this helped to solve the financial issues of the organization and one of the many social issues affecting many of their clients. Around the world, we have seen the rise of community economic development and social enterprise, utilizing for-profit methods to stimulate economic development and community regeneration, guided by those living in the communities. It is the outcome of decades of searching and experimenting in the hopes of finding lasting change.

But social enterprise is in danger of over-defining and boxing itself in, limiting further innovation. Social enterprise began as a few innovative organizations launching revenue generating solutions. It has grown into a powerful movement: a whole sector looking towards revenue generation to deal with the changing environmental pressures. But organizations have begun blindly copying the innovations of others and spending time creating ever-narrower definitions of social enterprise, instead of constantly searching for further innovations.

Social enterprise has been regarded as the solution; both problem and solution have been clearly defined, eliminating all uncertainty and all fear of chaos. Creating order in chaos *is* a challenge. A full-time job. Chaos in its very definition resists order. Seeing the chaos as complexity is an even greater challenge (Sherman and Schultz, 1998). Where chaos can be defined as “that unlikely circumstance in which patterns cannot be found nor the details understood,” complexity is “the integrating aspect of all living systems...exchanging influence with their local and global environments, and altering the very environment they are responding to by virtue of their simple actions...Complexity, though unpredictable, has shape, form, and pattern” (Sherman and Schultz, 1998, 17-19). Seeing complexity as opposed to chaos will decrease the fear of uncertainty and create the innovation that is so desperately needed. Allowing complexity into the order of organizations is a huge challenge. But it offers even greater reward.

Our approach in the social sector can be illustrated through the parable, “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.” First we gave a man a fish, but it did not solve the problem; it merely postponed the immediacy of the need. So then we tried teaching that same man to fish, and that helped. But there were still the other factors of poverty getting in the way. In the social enterprise movement, we are supporting the man in financing his own fishing pole, and creating a safe and supportive environment for him to begin his fishing career, giving him a gentle introduction into the economy, ensuring that he will become and remain a productive, self-sufficient member of his community. And it is working. Sometimes.

Many organizations see the need for further change, but do not know how to go about creating an innovative organization that will take the next step. There are many complications: stakeholders have a low risk tolerance, especially funders; it is hard enough to meet the current needs of the current clients, never mind opening up to other issues; it is hard to even find the time to be creative with all the demands of running an organization; it is hard to know what new and creative ideas are actually good ideas; and it is hard to keep up the momentum and energy needed for any change initiative. And the list goes on.

## CREATING THE CHANGE PROCESS

Developing a flexible, adaptive organizational culture that can deal with ongoing innovation is a long process and often seems out of control. “Managing for creativity...means taking most of what we know about management and standing it on its head. It means placing bets on ideas without much heed to their projected [Return on Investment]. It means ignoring what has worked before” (Sherman and Schultz, 2001, 96). But if the proper processes are in place which guide the management of innovation, then change will become part of the organizational culture in a productive way, and become much less scary.

It takes about five years to change an existing culture but small changes can happen along the way. Culture change begins with setting up the processes that will foster innovation and renewal and then living them:

1. Implement a strategic planning *cycle* to evaluate and re-evaluate the organization's direction within its environmental context;
2. Create an innovation cycle that exists outside of the organization's day-to-day activities; and
3. Foster opportunities for knowledge sharing.

These three processes all work together to stimulate innovation and encourage an organization of change. And by working in a continuous cycle, they foster ongoing innovation and change.

The degree and nature of change that is achievable and even desirable will be different for all organizations. For some, it will be the constant development of new ventures or even a whole new organization, for others it will be small incremental improvements to everyday processes. Depending on the size, age, and complexity of the organization and issues you are tackling, your innovation needs will be different. Your innovation needs will also change over time as you learn and grow. The processes described here can be used to stimulate the natural flow of ideas, whatever the current state of your organization and environment.

### ***1. The Strategic Planning Cycle***

A strategic plan provides an organization with direction, and is the framework for decision-making. By evaluating the organization's direction based on current circumstances, the underlying assumptions about the problems and solutions are analyzed from both the internal and external perspective. New ideas about the current state and desired future state can be brought forward and analyzed in a very structured manner through the strategic planning cycle. Not all opportunities can be predicted, but a solid plan will let you evaluate those unforeseen opportunities as they pop up in order to know if they are right for your organization. The strategic planning cycle, when practiced in its fullest sense *is* change management, an ongoing process of evaluation and innovation.

Strategic planning is a chance to look outside of the way things are done and take a fresh look at the problems with the new information and learning that has been acquired since the last strategic planning efforts; to learn about your context, and to learn about your impact on your context.

It is a chance to involve your stakeholders. Ask them what you do well and what you do not. Ask them what is important to them. It is a chance to envision the world as you would like to see it, and to create your role in achieving that state.

The strategic planning cycle is the cycle of change, an ongoing framework for proactively and reactively dealing with an ever-changing environment. The cycle begins with an analysis of this external environment. What has changed since you last looked out your window? How well are you meeting the needs of your clients? Given the changes in the environment, what should you be doing? From here a guiding compass – the vision and mission – is developed. The compass should create energy around a common vision of the future and how you are going to get there. This is your opportunity to dream; to picture the world as you would like to see it; to list your values; and to identify the rules you will live by as you work toward this future state.

Next you need to develop the road map: strategic priorities and definite goals. What do you need to do well to support your mission and achieve your vision? How will you know when you have been successful?

Once the strategic plan is developed, a full business plan should be created to detail the implications for the organization. This is your chance to be practical, to examine, and if need be, adjust your goals. The business plan interprets the strategy, translating it into everyday activities and new initiatives.

Implementation is a slower process, but it should be considered part of the ongoing cycle. Every year, review your progress – don't leave it until the next strategic planning session five years later. Look at your environment. Adjust what you are doing. Re-implement. And at the end of the cycle, begin again. In this way, the planning cycle allows for constant evaluation and change in the organization.

A solid strategic plan will act as an anchor for your organization as you create and respond to opportunities. Using this process, change is rooted in an existing organizational structure, preventing mission-drift, orphaned programs, and ensuring that all energy is focused on fulfilling the mission in the most effective way possible.

## **2. *The Innovation Cycle***

Be creative. Set aside an opportunity for brainstorming new ideas. Dedicate time to being creative. There are many papers spouting theory on how to increase creativity in an organization; many of the theories are intangible, focusing on removing boundaries so that individuals can think outside the box. This is all very necessary. I recommend reading those papers. However, what about the people who are simply not creative? If you put me in a room full of blank paper and take away all of the boundaries that are supposedly blocking my creative juices, I will still never come up with the next new thing. That is, unless you give me new guidelines after you have taken away my old boundaries and assumptions, ask me new questions, in a room full of every kind of mind, every perspective. Then I will be able to come up with new ideas. This may sound like a blinding glimpse of the obvious, but that is the point. The right ideas are always blindingly obvious once they are said out loud, because they fit. And they resonate with the people from all different perspectives. The trick is putting this into practice. What are the right questions? Who are the right people?

The answer is: it depends. For every organization, the answer will be different, but there are processes that will foster the energy locked in your organization. The processes must be simple, fair and transparent, and must fall outside of the normal schedule of daily activities. A simple innovation cycle can be used to develop general organizational improvements – small or large scale efficiency or effectiveness-related ideas – create new program areas, develop earned income or social enterprise ventures, as well as for debating social problems and their solutions.

**a. Bring together diverse groups of people.**

Diversity is the key. Getting the right people in the room is different for every organization – in the knowledge economy thought leadership often comes from the front line (Borins, 2001; Howitt, 1997). Front line, inter-departmental or cross-functional teams are often used in the for-profit world to stimulate new perspectives from those that are closest to the market. Who has knowledge in your organization? Chances are it resides in pockets throughout your organization, at all levels, and in all departments, and even in those outside of your organization. Find it. Gather it in one room. And then encourage it to grow.

**b. Brainstorm.**

You've heard it all before: get every idea out there, there is no such thing as a bad idea, edit later, include even the half-formed concepts, think outside the box, avoid linear thinking, record everything, and push the conversation away from the current constraints. However, one piece of unconventional advice: try providing a framework for the brainstorming. If all barriers are removed, it can sometimes be intimidating and can actually stifle creativity. Our brains are wired to respond to inter-connections. An idea must be linked to something; new ideas come from the ability to see adjacent possibilities (Sherman and Schultz, 1998). So ask questions and juxtapose ideas and approaches. Define the problem at its most minute size. Enlarge the problem to examine the linkages. Build off of each other and allow the flow to move in whatever direction it wants. Encourage conversation.

By creating a framework or posing a specific set of questions to the group, ideas and conversation will flow. Just be sure to keep a separate piece of paper to capture all the crazy, wonderful ideas that don't answer the question at hand – do not lose those thoughts. And the best advice of all: encourage people to dream. Take your organization's vision, your ideal state of the world, and dream 100 ways to get there.

**c. Create an objective evaluation method.**

Create an objective evaluation method for ideas, one that will not constrain the creation of ideas, but will constrain the implementation of ideas, to screen for the ideas most likely to succeed. The best evaluation will respect intuition but be bound by logic; trust your experience. Be sure to include your strategic context in the screening criteria. The evaluation method allows your organization to take risks, but in a thoughtful, calculated way that ensures the highest likelihood of success. It also allows you to determine what further information is required to evaluate an idea. Not all ideas are fully formed – this does not mean they should be cast aside, instead, held off until more information can be gathered and a decision can be made.

And while you are at it, evaluate your current programs against the same set of criteria. Put everything on the table. That's not to say that you will stop doing what you are doing, although you may. It depends on your appetite for change. Evaluating your current offerings, even if you are

going to continue offering them, lets you know how they compare to what you could be doing, to know the weak points of the program so that you can make informed choices about how you spend limited resources.

For a process on planning and screening opportunities, including suggestions on how to quickly screen through 100 ideas in a short amount of time, see *Social Entrepreneurship - A Reference Guide* (Pepin and Tranquada, 2004).

#### **d. Implement.**

The part that stops even the best idea dead in its tracks is implementation. It is hard work, and it is hard work for the entire life of the idea. It's hard to convince people they want to change. The Quirty keyboard is an example of people stuck in old ways. The layout of the common keyboard was initially designed in order to slow people down – old typewriter keys were getting tangled with the speed of typing. The Quirty keyboard solved the problem by spreading letters into awkward places for fingers to reach. People adapted to the new keyboard layout. Now, when the initial reason for the bizarre keyboard layout no longer exists, people are still stuck in their old ways because no one wants to re-learn how to type. And so we will live with the inefficient Quirty keyboard forever even though there is a better way.

Nothing encourages creativity more than knowing that good ideas will be implemented, and nothing stifles creativity more than the knowledge that they will sit on the shelf. So make sure there is a champion; someone who is honestly excited about the idea and will push it through all of the resistance and loss of enthusiasm. The champion's role is to be excited, to spread the excitement when it starts to fade, and to do the heavy lifting – the background research, the business planning, the convincing and selling. If it is a huge idea, it may require a team of champions who must all have the support of their leader to take time out of their day to dedicate to the project and to build the support amongst others.

Not all habits are as hard to break as the Quirty keyboard. If the motivation for changing is high enough, people will change. If the energy for changing is built, people will be excited about change.

### **3. Knowledge Sharing Networks**

There is an unlimited amount of information floating around the world on any topic that can be imagined. There is an unlimited amount of information floating around in your own tiny part of the world. This deluge of information can be both a help and a hindrance. Organizations must sort through this ever-increasing amount of information to find the details important to their lives.

The question of how to create, acquire, code, transform, apply, and evaluate knowledge is crucial to becoming an innovative organization. Finding out what knowledge already exists will spark creativity and build on existing resources instead of re-inventing the wheel. The first step is to find and build on the networks that exist around you. There are formal and informal networks of communication inside and outside of the organization. Tap into both. Contribute to the conversation. Share best practices, lessons learned, stories, perspectives, ideas, and resources. Opportunities come when you are open to the possibilities. Learn to listen. Thought leadership comes from all levels of an organization, particularly those in contact with the client/ population/ customer; it comes from all areas of society. Dedicate time to listening and communicating with

these networks and alliances – make sure to acknowledge them as a priority; if it is not actively sought, it will not happen.

Once you have tapped into your existing networks of knowledge and information, spread out to find different perspectives that will lead to further innovations. Even find the people who disagree with you. Diversity of networks, and differences in perspectives and paradigms will drive innovation.

Some point of similarity is required to ensure focus, a common point of discussion and mutual benefit. Look to your vision for the community. Who else shares this community vision? These are your partners, formal or informal, acknowledged or not. Cross sectors. Involve different stakeholder groups. Access trade associations and think tanks. And talk to your clients and your community. Create alliances and build relationships with all those who have thoughts and opinions on the issues that are relevant to achieving your vision for the world. Be open.

### **CONCLUSION: INNOVATION AND RISK**

It is impossible to eliminate all risk. This is true for all new activities, but also for the things you are currently doing. There is a risk that what your market wants today is not what they will want tomorrow. There is the risk that in planning to meet their future needs that you will be wrong. Or that funders will not see the same opportunity as you. Or that an unforeseen event will throw your planning for a loop. There is a risk that time and money will be invested in something that will fail. It is inevitable.

The former chairman of Time Warner, Steve Ross, believed that people who did not make mistakes should be fired... “If you want a creative organization, inaction is the worst kind of failure” (Sutton, 2001).

By creating an objective and transparent process for fostering and screening innovative ideas, risk is reduced; it puts parameters around decision-making and highlights the areas of risk before new ideas are launched. With knowledge of the risks, mitigation strategies can be put in place and conscious decisions can be made about whether or not to move forward with the idea. Sometimes ideas will still fail. And that is ok. The key is knowing when to pull the plug on an idea and still not give up on innovation all together. Once time and money have been invested it is difficult to turn back, to say this is not working, and we are going to stop. It is even harder to then start up another idea, no matter how different and how brilliant the next idea. An innovative organization will adjust and move on, re-inventing itself again. It takes determination and resilience, but it is self-perpetuating: by trying again after failure and proving the organization’s ability to adapt, the organization becomes even more resilient, increasing its sustainability well into the unknown future. Adaptation becomes an organizational competency.

Until the problems of the world have been solved, until your vision for the world has become a reality, change will be a necessary constant, and only by creating process to manage this change can we be successful. The content will always be changing, but the process of incorporating that change into your own organization will stay the same. Process puts the parameters in place that turn chaos into complexity, allowing you to see change in a positive light. This paper offers the

three necessary processes for creating an innovative organization, one which sees existing problems and finds new ways of solving them.

In the beginning, creating an innovative organization adds work to your already overloaded days. Once it is integrated into your organization's psyche, however, change becomes the way you work. By focusing on developing a strategic planning cycle, an innovation cycle, and networks for knowledge sharing, the organization itself becomes a learning system, changing in the most predictable, manageable, and supportive way.

*"It isn't sufficient to generate new ideas now and then. Your [organization] - or more likely a part of it - needs to be a place that generates and tests many disparate ideas. It should be an arena, a constant and constructive contest, where the best ideas win."* (Sutton, 2001, 103)

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## Organizational Healing: New Hope for Nonprofits in Crisis

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If fifty percent of the thirty thousand new nonprofits created each year in the U.S. fail, and large numbers of well-established nonprofits fail or are at-risk for failure, what does that say about the state of nonprofits in general? Is the industry somehow fatally predestined for this failure rate? These facts tell us at least one thing: as a group, nonprofit organizations are in a serious state of crisis.

What can be done to lessen this failure rate? After all, nonprofits are supposed to always teeter on the brink of collapse? That is the way the industry works. This myth is slowly being dispelled as nonprofits begin to claim their right to fiscal solvency and embody a growing movement of social enterprise ventures which create net income to support mission activity growth. However, there is another myth at play in the industry that is often unaddressed and that is the most likely root cause of organizational failure.

### **FISCAL HEALTH: A SYMPTOM OF AN ORGANIZATIONAL CONDITION**

Most of us would suspect that the reason for the high level of crisis among nonprofits would be due to inadequate funding. Surprisingly, at least one recent study reveals that this is not the case. According to a study (De Vita and Twombly, 1997) of the finances of a panel of human service nonprofits in 13 states, the majority of these organizations actually had revenues that exceeded expenditures in the years prior to their failure. Indeed, financial indicators eventually can show the result of long-term mismanagement – and they do so rapidly in the end – but fiscal issues alone are not the cause.

So what is the reason for such high failure rates? The same study found that the primary reason for nonprofit failure was due to organizational and management factors, not economic ones. Management factors typically include lack of management skills, incompetence, and sometimes abusive practices and behavior of executives and board members. These factors put the organization at risk because those responsible for the negative behaviors and practices lack the knowledge or insight required to correct the problem. In other words, nonprofits can fail because they do not recognize, through the eyes of their leaders, that their organization is at-risk and in need of outside intervention.

The finding in the De Vita and Twombly study is supported by a report published jointly by Venture Philanthropy Partners and Community Wealth Ventures in June 2004 in which it was determined that high-end corporate and private donors ranked the importance of leadership as high as program excellence. According to the report, “The real test for many investors is if there really is strong, compelling leadership to take the organization to another level of impact and

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performance.” For many nonprofits at-risk for failure, this level of leadership excellence is unreachable without outside intervention.

### **THE ANATOMY OF DYSFUNCTIONAL MANAGEMENT**

The above study points to the fact that for nonprofits to attract money and to insure survival, the onus falls not primarily on program quality and fiscal health as commonly suspected, but on the principles and practices used to manage that money and those programs and more specifically, on the talents and skills of the leadership responsible for executing them. Leadership, in this case, means not only the President/CEO, but also the board of directors who oversee the operations of the organization. In addition, depending on the size of the nonprofit, this may include some levels of upper and middle management.

So in effect, leadership is a team effort, but it is precisely within the context of this team effort where things can get muddy and the system can break down. A dysfunctional leader or an ineffective board (or even worse, both) can spell disaster for even the most well-established and well-funded nonprofit, often due to myopic and limited vision as they continue to operate under the false assumption that organizational problems are financial and can be solved by focusing exclusively on finances. Instead, the real problems – which are far more complex and lie with the unwieldy way decisions are made, actions are executed, conflicts are resolved, fiscal problems are handled, and planning is done – are not seen or even addressed until it’s too late. The result: *an organization in crisis*.

### **CASE STUDY: EXECUTIVE INCOMPETENCE**

After several years of enjoying the fruits of high-level fundraising revenues by a well-connected founder board, a human services organization suddenly experienced an exodus of several high-producing board members as well as the founding executive. With a high-level of program excellence in place and reasonable cash reserve, the remaining board members, now severely compromised, became entangled in a series of increasingly disastrous executive replacements with little attention given to performance, or even what would constitute performance excellence.

With board resources weakened, these executives burned through cash. Overspending became the norm as fundraising revenues sagged and costs escalated from decisions to throw money at the symptoms of organizational crisis.

The whirlwind of executive replacements resulted in a traumatized staff as they were mismanaged by over-authoritarian leaders put in place by the weakened board. These bullying executives focused primarily on blaming individual employees for lack of proper overall organizational management strategy and systems, and staff turnover rose to an all-time high of more than 100 percent in a single year.

Numerous consultants were hired to reorganize finances and to raise more money but no global assessment of organizational health is done. The focus on larger organizational management issues remained unaddressed and emotionally abused staff became as fragmented and as ineffective as its leaders.

Over the course of three years, this organization went from healthy and thriving to the brink of total failure. In this case, the problems for the organization were not initially financial, but were related to the singular challenge of executive replacement at a time of board weakness. Problems began to compound with the revolving door of executives, resulting in uncontrolled overspending, revenue deterioration, staff emotional abuse, and no global strategic plan.

### THE SOLUTION IS HEALING THE SYSTEM

What is the answer? *Organizational healing* – an innovative solution that involves identifying and addressing the symptoms or indicators of an unhealthy or at-risk organization *and* addressing the core issues that created those symptoms in the first place.

For the organization in the case study, organizational healing was able to stop the continuing emotional abuse of the staff and the perpetual installment of incompetent and over-authoritative executives. As a result, the following outcomes were achieved in short order:

- Staff turnover came to a halt
- Staff ideas which had been previously untapped were collected, integrated, and implemented, increasing productivity and efficiency
- Overspending came to a halt
- Aging payables equivalent to more than 10 percent of the organization's budget were steadily paid off in full
- New ways of earning revenue were developed and implemented, diversifying funding for the organization
- The cycle of inappropriate executive hiring was halted and the board was instructed on effective hiring practices, resulting in the development of a new management model for the organization
- The workplace was transformed into a more playful, creative, and fun place to work, and the renewed commitment and enthusiasm shown by staff members was evident to all the stakeholders of the organization, resulting in serving more satisfied clients, attracting new funders, and presenting a more positive public image

So how does organizational healing work? The four steps below illustrate the typical process. It should be kept in mind that these steps are not performed hands off, but occur through the organization healer's integration into the workplace as a temporary team member.

**Step One:** *Admit that the organization is in global crisis without blaming anyone for the situation.* In the case study above, and for most organizations, this was by far the hardest step. We often feel that if we can assess blame, then we can solve the problem. Blaming ties up the focus of the team in an unproductive activity that detracts from the job at hand – correction of problems. Board attitudes and openness are key to a successful step-one process. Since the last executive in the case study had already been removed, an interim executive was installed until the board could learn effective hiring practices.

**Step Two:** *Conduct an independent comprehensive organizational assessment.* Unlike a traditional nonprofit consultant, an organizational healer assesses an organization by not only looking at its symptoms, somewhat like the way a physician looks at the human body, but also by looking at the

overall hidden functional (or dysfunctional) relationships between employees, board members, stakeholders, and the management and operational systems in place. The solutions are arrived at not by recommending a pre-packaged consulting product, but rather by working closely with the key members of the organization and co-creating solutions from within.

*Step Three: Create a quick plan to heal the organization.* This action plan differs from a traditional strategic plan in that it focuses on short range actions which support long range goals, the least of which is survival of the organization. The organizational healer diagnoses the organization's symptoms and constructs systemic healing interventions to be applied throughout the organization. For example, the organization in the case study had installed executives who infused overly-authoritarian policies and practices throughout most of the operational systems of the organization. A systems overhaul was part of the plan to eradicate unnecessarily restrictive human resource practices which undermined staff performance and created tension throughout the organization. In effect, support, trust, and flexibility were institutionalized in revised, humanistic human resource policies and practices.

*Step Four: Work the plan and be willing to change it fluidly over time.* No plan can anticipate all possible futures accurately. In many respects, success in the nonprofit industry is related to an organization's ability to be opportunistically entrepreneurial while staying true to one's core mission. Shifting plans not only makes possible the capture of new opportunities, but instills creativity, flexibility, excitement, and passion into the organization and the people running it.

## INDICATORS OF AT-RISK ORGANIZATIONS

What kinds of indicators describe an organization is at-risk? Typically, the most at-risk nonprofits are those that have experienced some degree of overall organizational trauma in which a number of key areas of the organization have been affected over time by loss or ongoing unresolved problems. This could include having a dysfunctional leader and/or an ineffective board, along with a myriad of other problems resulting in low staff morale and high turnover, interpersonal conflicts, systems breakdowns, poor strategic planning, fiscal mismanagement and/or a lack of revenue diversification.

The vast majority of nonprofits have problems in at least one of these areas. If left unaddressed, this usually leads to problems in other areas of the organization, resulting in organizational trauma, and requiring desperate measures to bail the organization out of crisis.

Because personality issues and the human element silently, but dramatically, affect how management systems are developed and operated, the leaders of most organizations are, at best, only marginally aware of the workplace cultural issues that are crippling the organization as they are most often part of the problem. This factor makes it difficult for nonprofit organizations to position themselves to be receptive to outside intervention and take advantage of organizational healing opportunities.

## ORGANIZATIONAL HEALING VERSUS TRADITIONAL CONSULTING

One key difference between traditional consulting and organizational healing is in the nature of the upfront relationship – because the organization's decision makers agree from the beginning to

focus on correcting management behavior and practices, the organizational healer can ask tough questions, point out difficult behaviors, and suggest solutions that ordinarily might be summarily dismissed.

There are no quick fixes. An organizational healer typically works in-depth with an organization using a combination of training, consulting, and coaching services to achieve deep-rooted, long-lasting solutions. Unlike the services offered by most nonprofit consultants, the services of an organizational healer are experientially content-driven and never pre-packaged, but always designed with input from an organization's key personnel with the specific needs of that organization in mind.

From the perspective of prevention, one way to prevent an organization from becoming at-risk for organizational trauma is to have a periodic assessment of the organization's health performed by an outside and objective observer, who can give the executive and board feedback on the current state of health of the organization, and offer solutions to treat the symptoms at the source and prevent them from happening again.

Hiring an organizational healer may be the furthest thing from the mind and budgets of most nonprofit executives. But in these rocky times, with high percentages of nonprofits failing or in crisis, it may be the one action that can make a significant difference to survival of traumatized organizations.

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## The Food Card Access Project: A Community Change Initiative

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United Way of New York City's Food Card Access Project (FCAP) is a unique collaboration that seeks to facilitate and improve New York City residents' access to Food Stamps and ultimately to enhance the lives and economic self-sufficiency of low-income individuals, families and communities. The project does this by providing Community Based Organizations with tools and resources to assist clients with the Food Stamp enrollment process. In nearly three years, FCAP has achieved significant community change by assisting nearly 40,000 individuals receive Food Stamps, resulting in over \$73 million flowing into the local economy. Some might consider FCAP to be somewhat of an anomaly since United Ways have traditionally been viewed as fundraising entities for local nonprofit organizations and not known for program development. However, in recent years, many United Ways have adopted what is called a Community Impact Strategy, as a way to leverage community based, government, and corporate partners' resources and expertise in order to make a lasting, measurable change in local community conditions. United Way of New York City (UWNYC) launched its first Community Impact initiative, the Food Card Access Project, in 2003.

### PROJECT ORIGINS

FCAP grew, in part, out of a 2002 environmental scan conducted by UWNYC in an effort to identify the pressing problems that New York City residents face. With a recession already underway before September 11th, one in five New Yorkers were living at or below the federal poverty level, a rate nearly twice as high as the national average<sup>2</sup>. Since September 11th, individuals employed in industries indirectly and directly affected and those already in economic strife, flooded New York City's emergency food and shelter programs. This surge in unemployment, hunger, and homelessness strained the already scarce resources of the small neighborhood nonprofit organizations, which provide a great deal of the social services in the city. This spike in demand resulted in New York City's food pantries and soup kitchens turning thousands of individuals away each week (Taylor, 2002).

UWNYC, a major supporter of the city's emergency food programs, recognized the limitations of emergency programs. While these programs are there to help a family in a crisis situation, they do not address the long-term needs of hungry families. In an effort to help low-income households take full advantage of existing, largely federally funded programs and support, UWNYC embarked on an initiative called FCAP, a project to increase Food Stamp utilization in order to stretch budgets and prevent hunger, while bringing federal dollars to the local economy.

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<sup>2</sup> US Census Bureau and CSS tabulations from the Current Population Survey, December 2001.

## WHY FOOD STAMPS

The United States Department of Agriculture's (USDA) federally funded Food Stamp Program (FSP), intended to be the first line of defense against hunger and food insecurity in the United States, uses federal dollars to help low-income individuals feed themselves and their families. In 2002, New York City's participation in the FSP had been decreasing sharply for the past seven years, despite the fact that hunger and food insecurity increased. This had devastating repercussions on low-income individuals and the economy because of the loss of millions of federal dollars to the city. Additionally, even while the number of NYC residents participating in the FSP continued to decrease, the number of residents who were eligible continued to rise. In 2002, while only 821,179 NYC residents were participating in the FSP, at least 850,000 NYC residents were eligible but were not participating.<sup>1</sup> This meant that less than 50 percent of low-income individuals in the city who were in need of Food Stamp benefits were receiving them, leaving many thousands of individuals and families at risk of hunger and homelessness. Increased participation in the FSP prevents hunger, reduces reliance on welfare, decreases caseloads at emergency food and shelter programs, and brings jobs and millions of federal dollars into our low-income neighborhoods in unstable economic times.

Given that hunger continued to rise and families in NYC still struggled to make ends meet, compounded by the fact that the city budget was experiencing at least a \$3 billion deficit, how did we reconcile that Food Stamps usage in New York City was still declining? In 2002, experts in the field and studies identified a number of barriers to utilization of Food Stamps.<sup>2</sup> The most common barriers identified include: lack of information or misperceptions about Food Stamp eligibility, lack of access for working families due to inflexible office hours, application process requiring multiple visits to the Human Resource Administration (HRA) office, and the loss of Food Stamp benefits as individuals fail to meet welfare work requirements or as they transition from welfare to work. Although we knew these barriers existed, there was no way to quantify their presence in a systematic way.

With these barriers to access in mind, UWNYP launched FCAP, a program that enhanced FoodChange's program called FoodForce, which has provided Food Stamp outreach and prescreenings in the field for over a decade. This entailed convening and engaging a collaboration of partners including: Community Based Organizations (CBOs) in neighborhoods where Food Stamp participation was noticeably low and potential eligibility was particularly high; citywide technical assistance providers such as FoodChange, Seedco, Urban Justice Center (UJC), and NYC Coalition Against Hunger; and government agencies such as NYC Human Resources Administration (HRA) and NYS Office of Temporary and Disability Assistance (OTDA). Additionally, the Food Stamp (FS) Calculator, which is highly sophisticated software, was created

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<sup>1</sup> Data prepared by FoodChange: [1,666,938 people living in poverty – 821,179 recipients already receiving Food Stamps = 847,759 eligible but not participating]. The federal poverty level (FPL) varies by household size. For example, the FPL for a household of two is \$968 a month; for a household of four it is \$1,471. The FSP allows participation up to 130 percent of poverty and even higher for elderly and disabled households. Thus, the estimate of those eligible but not using Food Stamps is a conservative number; the number not participating is likely higher.

<sup>2</sup> Some barriers are a result of policies dictated by federal policies (e.g. benefit amount, the face-to-face interview etc.); however, since there is a great deal of discretion at the New York state and city level, there are many state and city-created barriers, as well. The barriers listed in this report are either directly related to a lack of information or to local barriers rather than barriers intrinsic to the Food Stamp Program.

to assist the outreach workers by calculating individual's Food Stamp eligibility. The FS Calculator also serves as a complex and rich data management tool.

## **THEORY OF CHANGE**

FCAP's theory of change is based on an academic model. Within this theory of change, we are able to plan, measure and evaluate the extent of the community change that FCAP has created. Through quantifying our results, we are able to highlight our achievements as well as make the case for potential policy improvements so that more eligible people can receive Food Stamps. The main resource for tracking this data is the FS Calculator. The calculator tracks demographic, economic, and actual enrollment data of clients that are prescreened. This way, FCAP can spot trends and advocate for changes both within the project and at the government level. Through the calculator, FCAP is able to capture specific outcomes, which support our theory of change.

Because FCAP was crafted in a specific and comprehensive way, we are able to quantify the desired community change. Starting with FCAP's target outcome and working backward through the various activities to achieve this outcome, we can illustrate FCAP's theory of change. The targeted outcome of FCAP is that eligible residents in seven low-income New York City neighborhoods enroll in the USDA FSP. As mentioned before, studies, including one using data from this project, show that many eligible people are discouraged from applying because of confusion about the application process and needed documentation. To help assure that eligible residents are enrolled, FCAP assists eligible residents apply with a filled out application and the necessary documentation. To achieve this, FCAP is pursuing three aims. First, potential clients must be made aware of the FSP and how to make use of it. Second, in many locations in the seven neighborhoods, potential clients encounter outreach workers who will estimate their eligibility, assist them with forms and documentation, and make appointments for them at their local Food Stamp Office. Third, we want HRA and its local offices to change policies and practices to make it easier for families to apply. We believe that if we make these three things happen, eligible residents will apply for Food Stamps with all of the necessary paperwork and be enrolled in the FSP.

Making each of these changes happen requires many other community changes. For example, FoodChange, a citywide partner, has a media campaign that helps build awareness of the program among potential clients. FoodChange also provides materials to local organizations that display the information where potential clients can see it. Seven CBOs are involved in creating the network of outreach workers who receive an intensive training from FoodChange on Food Stamps rule and regulations. The CBOs then station outreach workers at various sites throughout their neighborhood and are able to prescreen potential clients using the specialized software, the FS Calculator. Additionally, to make the outreach locations available, another citywide partner, the NYC Coalition Against Hunger, recruits nonprofit service providers and businesses to donate space. CBOs also provide advocacy for clients, and UJC provides them with advocacy training and technical assistance (TA). Together, these things mean that potential clients get comprehensive assistance close to home. Another important aspect of FCAP is that Seedco supports CBO capacity by monitoring their performance and arranging TA as needed. And finally, UJC serves as the research arm of FCAP by documenting the problems and trends that people encounter while trying to enroll in the FSP and advocating for policy and practice changes.

## TRACKING COMMUNITY CHANGE

Community change has occurred in the way communities receive information, the way they are supported, and the way they think about and achieve goals. FCAP partners perform many activities in attempts to change the community in a positive way. First, CBOs in the community are held accountable to perform at high, measurable standards on a variety of activities. FCAP measures CBOs performance on various aspects of service including outreach, eligibility prescreenings, application assistance, follow-up, and advocacy assistance. In addition, FCAP measures the number, diversity, and productivity of each outreach site. The FS Calculator shows the productivity of each site by tracking when outreach workers log in, how long they are at a site, how many people are prescreened when they are at a site, and if the people screened are eligible. For example, Senior Centers tend to be less productive over time because most of the clients are regular and have been prescreened before, whereas a Women, Infants, and Children (WIC) center sees new clients everyday and if they are eligible for WIC, they are generally eligible for Food Stamps. When FCAP outreach workers are stationed at productive sites, the community is impacted positively because more people benefit from the services that the CBOs are able to provide. Finally, FCAP measures the responses by HRA to client problems through the use of the liaisons at the local centers who help to resolve barriers that the clients are facing. Through this relationship with the CBO, the client is more likely to become enrolled which creates a positive change in the community.

More specifically, one targeted community change that UWNYP measures is Seedco's management of TA to increase the CBOs' capacity to meet performance targets. Since June 2003, performance targets have been measured for the number of households receiving information, receiving prescreening, getting assistance with the application, and getting appointments made for them at the local FS Office. In July 2005, CBOs began to be measured on performance targets on follow-up and advocacy assistance. FCAP is able to track this data by requesting that the CBOs self-report the number of information materials distributed and appointments given to Seedco on a monthly basis. The FS Calculator tracks all other activities that the CBOs perform including the number of prescreenings.

Overall, the CBOs' performance on indicators has increased each year; however, in 2004 some data raised questions about whether the targets were set at the correct level. The targets for FCAP were initially based on the FoodForce model, which focuses heavily on prescreening and not as much on follow up. Outreach, prescreening and application assistance targets were lowered, and since FCAP partners believed that some of the elements that made FCAP unique and more comprehensive were the follow up and advocacy piece, new targets were added to reflect this. The new targets were determined by taking an average of each CBO's existing performance in these areas, which was already being tracked. These adjusted targets represented a more accurate depiction of the activities, expectations, and results of FCAP. The targets were not set too high because lower targets would produce better quality work and would make sure that the CBOs were accountable to something realistic.

In addition to community changes, FCAP also measures population changes. Population changes occur when the individuals learn, feel, and act in a different and more positive manner. One targeted population change FCAP measures is that in everyday places, potential clients encounter

outreach workers who estimate client's eligibility, assist with them with forms and documentation, and make appointments for them at the local FS Office. We know that we are achieving this targeted change by tracking the number of potential households prescreened, number and percent found potentially eligible per site (we now have over 550 sites where prescreenings have taken place), and of those found eligible, the number and percent assisted with forms and documentation, and receiving an appointment with HRA. This data is collected through the FS Calculator. Since June 2003, 48,465 households have been prescreened and 38,618, or 80 percent, clients were found potentially eligible. Of those potentially eligible, 34,029, or 88 percent clients were assisted with forms and documentation; and 13,149, or 34 percent clients received appointment. The percentage for appointment slots is lower because they are only given to clients that live within the program catchment areas. For example, some CBOs, such as Chinese American Planning Council in Chinatown, have clients who live throughout the five boroughs of NYC, but like to do their shopping and receive services in the Chinatown area. Therefore, these clients are referred to the HRA offices that serve the zip codes that they live in, but not given appointments. If you combine the number of appointments given out and the referrals made, 80 percent of clients are either referred or given an appointment at a Food Stamp office.

Finally, FCAP measures its targeted outcome, which is perhaps the most compelling evidence of community change of all. The targeted outcome of FCAP is that eligible residents in seven low-income neighborhoods are enrolled in the FSP. The indications that this is occurring are the number and percentage of eligible households in each neighborhood enrolled in FSP and the average benefit per household. This data is collected through the use of the 2000 Census, which estimates the total number eligible people based on federal poverty levels. Additionally, HRA software and the FS Calculator interface to yield the number of clients enrolled as a result of FCAP and the benefit amounts that FCAP clients receive. Through the work of the CBOs, this goal is being achieved as the number of people enrolled on Food Stamps in these neighborhoods increases. The results, since June 2003, are that 16,712 households have enrolled – roughly 13 percent of eligible households in these neighborhoods—in Food Stamps, receiving an average monthly benefit per household since enrollment of \$199. The estimated economic benefit to the local community is \$73 million.<sup>1</sup> Through the design of the project and use of the data in the FS Calculator, FCAP's impact in the community can be quantified.

## USING DATA TO EFFECT POLICY AND COMMUNITY CHANGE

Although we have made great strides within the community, we continue to work to ensure easier access to Food Stamps for all potentially eligible clients. Because of the way that FCAP can quantify its outcomes, a more in depth analysis was conducted by UJC. Its recent study, based on FCAP and FoodForce data (Widon, et al, 2006) discusses the existing barriers to Food Stamps access in New York City and makes policy recommendations. The analysis is based on interviews with 144 clients, selected at random from individuals that were deemed potentially eligible for Food Stamps through either Food Stamp outreach programs, but not enrolled. The report describes individual client options, the difficulties encountered trying to enroll, and what types of clients have a more difficult time becoming enrolled in the FSP.

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<sup>1</sup> 16,712 Food Stamp households, receiving an estimated \$199 per month (estimate based on prescreenings) for an average of 12 months each, yields \$39,908,256 allotted in Food Stamps annually. The USDA estimates that every FS dollar brings \$1.84 in economic activity, yielding \$73,431,191 in economic activity for New York City.

The key findings of the report conclude that most clients who were screened as eligible did not enroll, in fact only 42 percent of clients in the study ultimately enrolled. Reasons for individuals not going through the enrollment process vary. Consistent with other studies, this data shows that only 37 percent of households with earned income enrolled compared with 45 percent of unemployed clients. Working people were significantly less likely to enroll, even after taking benefit levels, English language ability, household poverty status, and other factors into account. Additionally, the interviews revealed that other conditions such as health problems or childcare responsibilities are also barriers to receiving Food Stamps because clients cannot attend the required office visits. Finally, the study highlighted that everyone eligible for Food Stamps is in financial need, and Food Stamps can provide a 20 percent increase in household income. Specifically, among FCAP and FoodForce clients who were eligible but did not enroll: three out of four were living below the federal poverty line and 42 percent of those who had income spent more than half of it on rent alone. This is a significant finding and telltale sign that Food Stamps can really make a difference in the lives of low-income New Yorkers who are able to jump the logistical hurdles necessary in accessing the benefit. Additionally, it proves that removing these barriers is even more crucial in providing low-income New Yorkers with the financial support they are entitled to by law. The report recommends that HRA, with the support of state and federal agencies, commit to the following activities in order to improve Food Stamps access for all eligible New Yorkers: expand current office hours in all centers, ensure offices are fully staffed, reduce wait times at the offices, and waive office visits for clients that demonstrate hardships such as working hours and childcare obligations.

## CONCLUSION

Through UWNYP's adoption of the Community Impact Strategy, our programs are strategically focused on outcome measurement and are designed to align funding decisions to our long-term community goals. By developing and implementing programs that allow us to track data so rigorously we are able to demonstrate significant community change. FCAP has provided us an opportunity to understand how we can effectively manage collaborations to see real impact in the lives of low-income New Yorkers. By supporting activities that change the way our local communities receive information, the way that they are supported, and the way that they think and achieve goals are ways in which UWNYP has effected community change. Because our long-term goal for this program and for the organization as a whole is to create more opportunities for low-income New Yorkers to become self-sufficient, FCAP accomplishments are integral in moving our agenda forward.

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