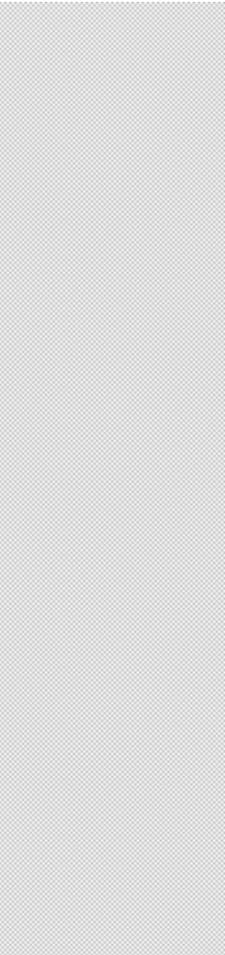




A Guide

for Consumer Organization Leadership:

Principles for Practice



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Introduction

“Be careful what you wish for” is an admonition many consumer organization leaders have heard before. It is often heard when your organization is facing a particularly difficult problem or crisis, such as a funding cut or the departure of a valued employee. Upon reflection, you realize your organization has come a long way. It has an excellent mission, a laudable set of goals, employs a good group of people, and has a reasonable operating budget. Yes, you got what you wanted. But given all the obstacles that you had to overcome to get to this point, you question how you will ever achieve the noble future that continues to beckon.

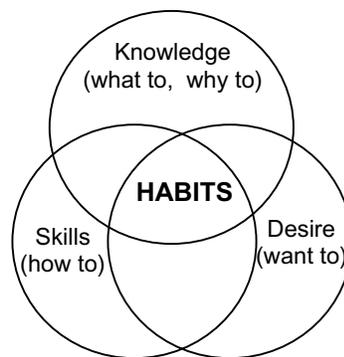
The purpose of this guidebook is to provide information about leading your organization toward that future. It summarizes those key leadership issues that are likely to be most relevant to the situations you face as consumer leaders. It provides information that will augment and enrich your current leadership practices and assist you in building new skills. The guide is broad-scoped, but with a premium on brevity. While it hopefully covers the more important leadership topics, it also leaves out others of necessity. Those we address, albeit briefly, contain references other resources where further information can be found.

The aim of this booklet is to help you become a better and more confident leader. A successful leader mobilizes staff to carry out the mission and goals of the organization. A successful leader develops the leadership skills of each member of the team and helps create a culture which promotes growth. The paths to personal recovery and to being a more successful leader of a consumer organization are similar. Both require the development and adoption of new ways of thinking and behaving, and to reaffirming the ones that are working today.

Section 1: What Is Effective Leadership?

Leadership is the capacity of an individual to lead an organization. It is the sum of the characteristics, qualities and habits which enable that individual to achieve the mission, fulfill the purposes and express the vision and values of the organization. Leadership is not a matter of innate talent, but rather of successful learning. While good leadership involves some aspects of personality, it is principally a matter of knowledge, skills and motivation.

Steven Covey talks about the elements of leadership as both internalized principles and patterns of behavior, or as effective habits, which he depicts in the following graphic representation in his popular book, The Seven Habits of Highly Successful People.¹



Covey’s seven habits include: 1 – “be proactive” (what he refers to as principles of personal vision); 2 – “begin with the end in mind” (principles of personal leadership); 3 – “put first things first” (principles of personal management); 4 – “think win/win” (principles of interpersonal leadership); 5 – “seek first to understand, then to be understood” (principles of empathetic communication); 6 – “synergize” (principles of creative cooperation); and 7 – “sharpen the saw” (principles of balanced self-renewal or lifelong learning). Many of these principles are expressed in summary form in the succeeding sections of this guidebook.

Warren Bennis, a writer and researcher on leadership, defines leaders as ... “people who are able to express themselves fully . . . they know who they are, what their strengths and weaknesses are, and how to fully deploy their strengths and compensate for their weaknesses. They also know what they want, why they want it, and how to communicate what they want to others, in order to gain their cooperation and support. Finally, they know how to achieve their goals.”²

Bennis also notes that leaders start out with the motivation to be fully heard, rather than motivation to be a leader. The most effective leaders create a culture of trust, respect and caring by communicating to others clear goals, vision, conviction and passion. Bennis argues that the single most important element in leading effectively is generating and sustaining trust.

Leadership is not confined to the person of highest rank in an organization. Roger Pearman describes leadership as the process used by anyone, regardless of rank, to create a meaningful collaboration among individuals for a common purpose.³ Indeed, leaders encourage leadership in others.

Leaders at their best

Among the many books on leadership, a classic is The Leadership Challenge by Kouzes and Posner.⁴ The authors introduced some of the fundamental principles in the leadership literature by asking the question, “What are leaders doing when they are at their best?”

Based on their research, the following five themes emerged:

1. Challenging the current way of doing business
2. Bringing people together around a common vision
3. Helping others take action
4. Setting an example
5. Recognizing accomplishments

By “**challenging the current way of doing business**” the authors indicate that leaders express a willingness to change and are not bound by standard practices. They encourage and actively seek opportunities to do their business better, smarter, faster, or to produce better quality and results. They are willing to experiment, innovate and to grow and change.

Leaders also bring people together around a **common vision**. They imagine a noble future and engage their colleagues to express their hopes and dreams and to understand how they fit into that future.

Leaders **help others take action**. They encourage collaborative relationships and inspire others to participate. They go out of their way to build trust and empower others in their progress to attaining the vision of the organization. They clarify the values of the organization so that others can take more effective action on their own. They are good coaches.

Leaders **set an example** for the organization by practicing what they say they value. If advocacy is one of the goals of the organization, leaders express the views of the organization to its constituencies as well as its critics.

Leaders **recognize the accomplishments** of their colleagues. They reward those who are making progress and inspire continuous learning and self development. By the same token, they do not reward those who are not making progress, which is perhaps one of the more difficult challenges. Leaders also celebrate what the team achieves, as well as the achievements of individuals. Recognizing positive combined effects of the team reinforces that the whole is greater than the parts and that individual achievement is less meaningful than the achievement of the organization.

Contrasting leadership and management

While managers are ideally leaders, and leaders must always be managers, leaders are much more than managers. Management focuses on the bottom line, dealing with the question of how one can accomplish what is necessary to succeed. Leadership deals with the top line, what one wants to accomplish. In the words of Peter Drucker and Warren Bennis, “Management is doing things right; leadership is doing the right things.”

The chart below distinguishes some of the ways in which leadership and management are different and have differing concerns and focus in dealing with key aspects of an organization.

<u><i>Sphere</i></u>	<u><i>Management Concerns</i></u>	<u><i>Leadership Concerns</i></u>
Human Resources	Control People as commodities Individual	Coaching People as resources Team
Performance Measures	Quantity Opinion	Quality Data
Culture	Resistance to change Suspicion	Openness to change Trust
Focus	Internal Compliance Detection	Customer Commitment Prevention

Assessing your leadership skills

Consumer leaders generally come to their position because of prior life experience, as opposed to prior work experience. Given the traumatic experience of mental or emotional illness, often combined with management experience limitations, consumer leaders face more than the usual challenges of running an organization. However, consumer leaders also possess special qualities that have brought them into a leadership position.

One of the first steps to increase the likelihood of success is to reserve a portion of time every week for self-improvement, or what Covey calls “sharpening the saw”. You should consider inventorying your skills and deciding what you already do well and what you don’t do so well and where you might use some consultation. In addition to some of the ability areas mentioned above, you may want to assess others such as:

- Decision making
- Delegating
- Communicating personally, in small groups and in public
- Managing organizational politics
- Team building
- Learning and development
- Values expressions and culture creation

Roger Pearman describes many of these as “mental challenges that must be handled well to be an effective leader.”⁵ To help you assess and develop your skills, you may want to consider using peer support resources, or getting a professional executive coach. With

regard to peer support, the federal Center for Mental Health Services (CMHS) funds a technical assistance and training center for consumer leaders called CONTAC (on the web at www.contac.org). Among its several objectives are the fostering of self-help, leadership and management skills. Operated by a West Virginia-wide consumer-run organization, Contac offers a variety of training programs to help attendees improve their leadership skills in functional areas ranging from running meetings better to improving communications within your organization to building collaborative advocacy efforts within your community. CMHS also funds the National Empowerment Center, which contracted for this guide, to provide peer support.

Another peer support resource is the National Association of Consumer/Survivor Mental Health Administrators (NACSMHA)(www.nasmhpd.org/consurdiv.htm), a division of the National Association of the State Mental Health Program Directors. It is committed to improving the leadership of consumers within public mental health systems and represents state mental health department senior managers who are current or former recipients of mental health services.

The executive coaching option involves finding a coach who will work with you over a period of time to improve your executive skills and abilities. It is an expensive option, the cost of which might be supported by a government agency or foundation, or by a coach in training and under supervision who would offer reduced rates as a result. “The coaching client is someone who wants to reach one or more of the following; a higher level of performance, enhanced learning, a new level of personal development, greater career success, or increased life satisfaction.”⁶ While coaching is highly personal, it is not psychotherapy, though in some cases it is used concurrently with therapy. The process involves the assessment or evaluation of current on-the-job functioning, of finding an appropriate work challenge, and of obtaining support in meeting the challenge. “Coaching is designed to help clients improve their learning, performance, and personal development and to enhance their quality of life.” (see www.coachfederation.org, the organization of the international coach federation, formerly the Professional and Personal Coaches Association)

Section 2: Defining Your Mission and Vision

Most organizations express the business of their organization through mission and vision statements. The mission of an organization is its major task. It expresses its purpose, and what it does. The vision is what an organization sees for itself in its future if it is successful in its mission.

In a world of impatient people, short mission and vision statements are indispensable communications tools. Annual reports, capability statements, informational brochures, web sites, proposals and other business documents generally contain these critical statements of who you are as an organization. But even more importantly, mission statements are vital to success internally. They represent the belief system of the organization, and are a rallying point for all members of the organization.

To be effective, the mission should come from the very bowels of the organization, and represent its most fundamental center. In developing mission and vision statements, all members should participate. Involvement breeds commitment and creates a frame of reference for self governance. Thus, instead of controlling, directing or criticizing members, or dealing with “motivational” issues, the leaders and members collaborate on better aligning the structure, process and management style of the organization in achieving a shared vision.

The following three vision statements illustrate the quick way in which vision statements communicate broadly both to internal and external audiences. Microsoft’s vision “is to empower people through great software – any time, any place and on any device.” The vision of the Burlington Northern and Santa Fe Railway Company “is to realize (its) tremendous potential by providing transportation services that consistently meet our customer’s expectations.” Magellan Behavioral Health, the nation’s largest such company, states that “Magellan is the leader in behavioral health care management and wellness services. We are dedicated to improving each and every life we touch. We focus our knowledge and expertise to respond quickly with innovative, dynamic solutions to deliver high quality results for our customers and members.”

Operationalizing the mission: goals and objectives

From the level of mission and vision, one moves to the level of goals and objectives as a way to establish and to operationalize the activities of the organization. Goals are typically established on an annual basis, and reviewed periodically thereafter. They should encompass all the principal activity of the organization. Achieving these goals should produce the results you intend to achieve. It is important not to leave out any essential activities, nor to include peripheral ones, as the latter will be distracting.

Depending on the size and complexity of the organization, there may be many or few goals. For consumer run organizations, particularly new organizations, establishing several key goals may be sufficient. Establishing the persons who are principally

responsible for accomplishing the goals and reporting progress and making adjustments over time is also important.

Goals are operationalized through objectives for which individuals are responsible. The objectives should be measurable and have specific indicators, achievable in defined timeframes, so that progress can be measured. As you achieve objectives, the reporting of that progress will provide the content for the reports you provide to your funding sources, essentially making good on the promises or intentions that you wrote in your original proposals for funding.

To ensure that those with implementation responsibility have ownership, commitment and the leader's desired focus, Peter Drucker⁷ uses what he calls the management letter for operationalizing the goals of the organization. He spends several hours with an employee, discussing in broad outline guidelines, expectations and resources. The employee then summarizes the key points of their conversation using his or her own language, creating a management plan for the next time frame, the kinds of accomplishments (s)he would anticipate and basis for evaluating accomplishments at the next review. With employees similarly in control of their agenda, oriented, motivated and aligned with the larger vision, a leader can have a far broader span of control and a far flatter organizational structure than would otherwise be the case.

Section 3. Organizing and Mobilizing Human Assets

The most important part of any organization are its people; hence the expression, “look after the people and the results will look after themselves”. But having bright and energetic people, and being bright and energetic, does not make a successful organization. At a basic level, people must understand the nature and scope of their work, generally in the form of a job description, and must know where they fit in the organization, generally in the form of an organization chart. Equally important, they must also be part of a team, knowing where and how their work contributes to the work of the organization as a whole and having the support, skills and desire to be good team players. Successful organizations spend resources building their teams and the culture to support good teamwork, just as they do in making hiring decisions. Building strong organizational culture is an important leadership challenge.

The following section is about how to understand, work with and best utilize the people in your organization, with all their differing characteristics and personalities, including your own, in an effort to build the best possible organization.

Personal operating styles

Each leader has his or her own personal operating style, and that style effects how you communicate with others, both in terms of giving and receiving information. The personal operating styles of others are equally important. Just as your own style preferences can either get in the way of, or enhance, your abilities to communicate successfully with others, so too can the special characteristics of others’ operating styles effect what they are more likely to hear from you and respond to. It also effects how your team members interact with each other.

This is why the leadership literature contains a good deal of information about grouping individual characteristics based on personality and behaviors. Perhaps the oldest and most widely used assessment tool for understanding operating styles is the Meyers-Briggs Type Indicator (MBTI).⁸ It draws upon Jung’s archetypes and helps individuals understand how their “preferences” or psychological typology, relates to career fit. It rates individuals on four scales – including extroversion/introversion (E or I), sensation/intuition (S or N), thinking/feeling (T or F) and judging/perceiving (J or P). These four pairs of polar opposite preferences are combined to illuminate sixteen personality types. The MBTI tool is used some 2 million times annually, so that many executives have experience with it and it is therefore a useful reference tool.

Briefly, extroversion is a characteristic of people who draw energy from being around others. These highly social people (“E”s) like to talk, play and work with people, as opposed to being alone. Introversion has more to do with territoriality and the desire for private space. Introverts (“I”s) like to work quietly alone, read or meditate, and while they can work well with others, they prefer to do so one-on-one or in small number for shorter periods of time. Others tend to deplete the energy of introverts, as opposed to

charging their batteries like interaction does for extroverts. According to Keirsey and Bates⁹, approximately 75% of the US population is extroverted and 25% is introverted.

The sensing (sensation)(75% of the population) versus intuition (25%) scale has to do with the way we think about things. Sensation-preferring people are sensible, practical individuals who prefer facts and know the world best through actual experience. The intuiters are individuals for whom “the possible is always in front of him, pulling on his imagination like a magnet”. (p.18, Keirsey and Bates). People who rely on intuitions are innovative and would rather talk about the future and what is possible than talk about the past.

The thinking versus feeling scale (a 50-50 population split) differentiates between individuals who prefer to make fundamental choices based on impersonal, objective judgments, principles and logic (thinking) versus those who choose based on a more personal impact basis (feeling). It is the only one of the four preference types in which a sex difference is apparent. More males prefer thinking (6 out of 10) and more women prefer feeling, though the difference is relatively minor. The F individual perceives the T individual as heartless and insensitive, while the T individual perceives that Fs are unable to take a firm stand, are overly emotional and illogical.

The judging/perceiving scale has to do with individual preferences for closure and the settling of things, versus keeping options open and fluidity (a 50-50 population split). It is a plan-ahead, urgent approach, versus a adapt-as-you-go, lets take our time approach.

These four preference scales produce to create some 16 personality types, and given time and opportunity, learning the typologies can be highly informative and useful. The real power of the MBTI comes not from knowing the types, however, but from understanding the temperament base of the types.

A somewhat less complex but similar typology is offered by Peter Stephenson. In his book, Executive Coaching¹⁰, Stephenson suggests that there are six key operating styles, each of which combine differing degrees of reactivity and proactivity. One style, the *commander/doer*, is high on proactivity and low on receptivity. In the Meyers Briggs typology, this type is a ENTJ, an extroverted, sensing, thinking, judging person. While assertive, decisive, and great at getting things done, this type of leader often has difficulty hearing other perspectives and tends to miss social niceties. He may also speak and progress too quickly and thus appear short-sighted.

The *empathizer/humanist* is Stephenson’s second operating style. This type of person is the extreme opposite of the commander/doer, high on receptivity but low on proactivity. While warm and friendly, a reflective, understanding and hands-off leader, this type of individual is often hesitant to take risks and makes decisions very carefully.

The next two styles are differing combinations. The *responder/initiator* is high on both proactivity and reactivity, with the capacity to get involved enthusiastically, yet at other times to stand aside and listen actively and empathetically. The *evaluator/detailer* is

low on both. Analytic and careful planners, this type stays out of the limelight, and is cautious, controlled, self sufficient and generally unflappable.

The last two styles combine mixtures of reactivity and proactivity. The *idea generator* is both high and low on each element, bipolar if you will. This type is a combination of each of the above four styles, and moves comfortably between each. This type of person is creative, sensing endless possibilities, keen on theory, but often forgetting practical applications. Finally, the *all-rounder* is a combination of styles, but in a balanced and flexible way and rarely showing the excitement of the idea generator. These individuals are good chairpersons, offer stability, are effective at reaching consensus. While not the life of the party, they are usually quite popular and give others a fair hearing.

The following chart summarizes these differing styles:

Style	Proactiveness			Reactivity		
	Hi	Middle	Low	Hi	Middle	Low
<i>Commander/doer</i>	X					X
<i>Empathizer/humanist</i>			X	X		
<i>Responder/initiator</i>	X			X		
<i>Evaluator/detailer</i>			X			X
<i>Idea generator</i>	X		X	X		X
<i>All-rounder</i>		X			X	

In communicating with people who have these differing operating styles, a third party can be more or less effective if he or she is aware of the operating style. In meeting with a commander/doer, a third party would want to stick to the agenda, communicate facts, talk business only, and make their points as quickly as possible. To be successful in meeting with an empathizer/humanist, the third party would want to engage in as warm and friendly way as possible, showing interest and support, providing reassurance rather than pressure, and not expecting any immediate decisions. In meeting with an idea generator, a third party would want to prepare the content and delivery of their presentation to engage the party fully, enabling them to grapple with both intellectual and emotional content. However, the third party would want to make sure to keep the meeting on track and to summarize the discussion and any agreements at the end of the meeting.

Emotional intelligence

Emotional intelligence is a term used in leadership development and management circles that has been studied closely for two decades.¹¹ In the same way that intelligence quotient, or IQ, is predictive of school performance, so emotional intelligence, or EI, is predictive of career success. Unlike IQ, however, emotional intelligence tends to increase with age and can be learned. More effective and successful leaders are high in emotional intelligence. While there is disagreement among its principal exponents and researchers regarding a precise definition of the term, there is general agreement that it contains five skill elements¹², including,

- Self awareness – they know and account for their feelings in decision making, have confidence and a realistic perception of who they are
- Self-regulation – they think before they act, recover from emotional upsets quickly, and delay gratification to achieve goals
- Motivation – they are persistent and passionate about their work for intrinsic reasons, and energetically pursue goals
- Empathy – they intuit the feelings of others, communicate well and develop rapport quickly with a wide range of individuals
- Social skills – they accurately interpret social relationships and interactions to build common ground and cooperation

One of the challenges consumer leaders face is dealing with a large variety of individuals and organizations, often the source of program funding, who bring problems laden with accusation and blame to their attention. Leaders are tempted to respond immediately in the spirit of the “take charge” stereotype of leadership. But by being less reactive, or by managing impulse control, an important component of emotional intelligence, leaders can avoid a hasty response that could come back with negative consequences. A key to success is not personalizing the situation, but rather simply hearing the information in a non-defensive way.

Auerbach, an executive coach with a mental health therapist background, tries to train his clients techniques to manage themselves in stressful situations by initiating a four step, as follows:

1. Take two slow abdominal breaths.
2. Ask yourself, what am I thinking and feeling?
3. Ask, what negative thoughts am I having? and
4. What would be a way to rephrase any negative thoughts to more helpful thoughts?¹³

Communication through active listening

The ability to listen and hear others clearly is among the most important components of emotional intelligence and leadership. Active listening is a skill that helps build successful teams. Leaders that practice active listening skills encourage by example all members to use such an approach. Without active listening, participants on a team will have difficulty joining together and forming a cohesive group .

Active listening is following what someone else reports. It involves supporting a person when they speak and understanding what they are really saying, sometimes by providing feedback on what you are hearing. It is not leading or controlling the speaker or fixing the problem areas reported. Skills to accomplish active listening include probing and reflecting thoughts and naming feelings that are associated with the content. Being an empathic listener means diagnosing a problem before prescribing a solution, and of first seeking to understand the other person and their interests before seeking to be understood.

Taking responsibility

Covey's first of seven habits has to do with responsibility and about keeping focused on your personal vision. Using the terms of proactivity and reactivity in a broader way than Stephenson does, Covey states that one of the innate characteristics of human beings is the ability to choose, and the choosing is our "response-ability". While genetics, our parents, and our work environments all help to determine who we are, they do not make us who we are. We are responsible for our own lives. We react to the statements and perceptions of others, but they do not make us who we are. Our decisions and the behaviors that follow from those decisions are who we are. In Covey's words, "Its not what happens to us, but our response to what happens to us that hurts us." Or in the words of Gandhi, "They cannot take away our self respect if we do not give it to them." For most consumer leaders, our most difficult and painful "experiences become the crucibles that forge our character and develop the internal powers, the freedom to handle difficult circumstances in the future and to inspire others to do so as well."

Covey encourages readers to become self aware about our own degree of responsibility and proactivity. He suggests reviewing our language, by providing the following examples of proactive versus reactive language.

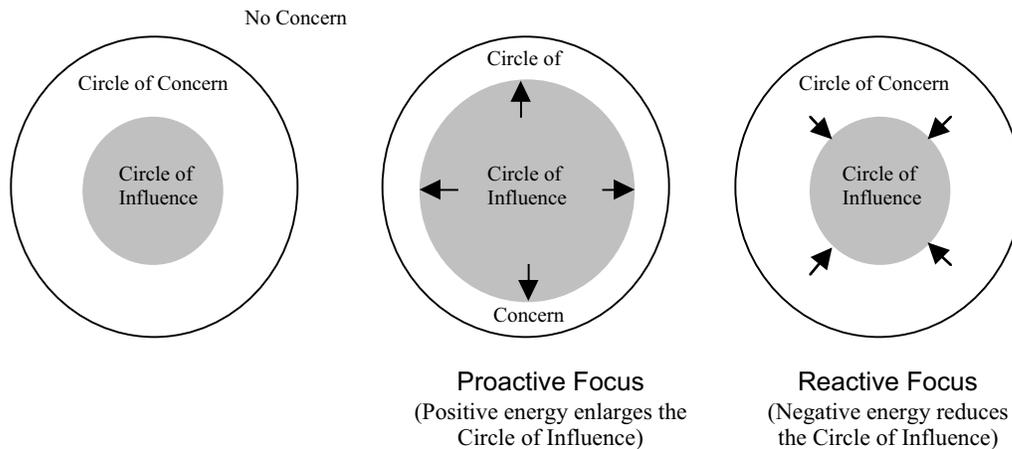
Reactive Language

There's nothing I can do.
That's just the way I am.
He makes me so mad.
They won't allow that.
I have to do that.
I can't.
I must.
If only.

Proactive Language

Lets look at our alternatives.
I can choose a different approach
I control my own feelings
I can create an effective presentation.
I will choose an appropriate response.
I choose.
I prefer.
I will.

Covey also suggests that we examine where we focus our time and energy. He talks about being proactive where we can make a difference (our circle of influence), as opposed to being concerned about something which we cannot control (our circle of concern). We each have many concerns, ranging from our health to work issues to politics and religion. But some are personal, and we can have a significant impact on them, while others are of interest, but out of our control. If we are more proactive, we focus on issues in our circle of influence, expanding that circle, as illustrated below. On the other hand, if we are more reactive, we tend to spend more energy on our circle of concern, and "we empower the things within it to control us." Reactiveness means focusing on all those things over which we have little or no control, such as the weaknesses of other people, or problems of the environment. Focusing reactively invites blame, increased feelings of victimization and accusing attitudes. It also means neglecting the areas where one might have influence, another contributor to shrinking the circle of influence.



Acknowledging mistakes, as well as making and keeping commitments, are important parts of Covey's notion of the circle of influence. Acknowledging mistakes, and learning from them, is highly proactive, essentially converting a "failure" into a "success". Failing to acknowledge a mistake is self-deceiving and causes a far deeper and disproportionate injury. In the same way, keeping commitments to ourselves and others is the most powerful example of proactivity.

Team building and performance

One of the highest priorities of leaders is team building and the creation of a culture that supports teamwork, for nothing can improve the performance of an organization like effective teamwork. In studying how teams are created and sustained, Drexler, Sibbet and Forrester at the National Training Laboratories developed a seven stage team performance model, describing the changes that teams go through over time. They describe three "creating" stages of a team and four "sustaining" stages. This model can usefully be applied to your own organization to help to determine where you are and what issues need to be confronted to move to the next stage of development and performance.

In the initial creating stage, or *orientation*, the team member deals with the issue, "why am I here?" When the orientation issue is unresolved, the member experiences disorientation and fear. When the issue is resolved, the member feels oriented, accepted and has a sense of membership. A team with a predominance of new members is inevitably challenged at this basic developmental level.

The second stage is one of *trust building* in which one is asking "who are you?" When the answer to this question is unresolved, members are cautious, mistrustful, and often present a protective façade. When resolved, members feel spontaneity, a sense of group trust, and data flows readily among the group.

The third stage is *goal orientation*. In this stage members ask, “what are we doing?” When goals are not clear or are unresolved, members often feel apathy and/or engage in irrelevant competitiveness. When this stage is resolved, tasks are identified, needed actions are clarified and options emerge.

The fourth stage is *decision making*, the first of four “sustaining” stages. Without going through the first three formative or creating stages, it is not possible to sustain the organization. During the decision making stage, members are asking “which way do we go?”, and when the answer is not sufficiently resolved, members display dependence or counter-dependence. When the issue is resolved, work roles are differentiated, decisions are made and the work of the team is initiated and conducted.

The fifth stage is *implementation*, the phase in which the “how” question is confronted. If implementation is not resolved, there is often a good deal of confusion and conflict in the organization. The work of the group does not flow and individuals are not aligned. Deadlines are missed. When the implementation is resolved, the sequencing of critical tasks and events is clear. The work is disciplined, creative and productive results are reported.

The sixth stage is *high performance*. This stage remains incomplete when there are individuals reporting feeling overloaded or that their work is not attuned with the work of others. The stage is resolved when members feel a state of flow or synergy, and in which communications become more intuitive.

The final stage is *renewal*. During this stage, members raise the issue of “why continue?” When the issue of renewal remains unresolved, members feel boredom or burnout. On the other hand, resolution produces a commitment to renewal and to a congruence of the vision of the individual, the team and the organization.

One can test the stage of development of a work group or organization by asking individual members questions like, “I can be open and authentic here” or “It is OK to take risks here” or “We are good at dealing with the conflicts we encounter” and having respondents provide relative agreement or disagreement along a multi-point scale. Open ended questions, like “What is working well on our team?” and “What is not working so well?” often elicit informative responses as well.

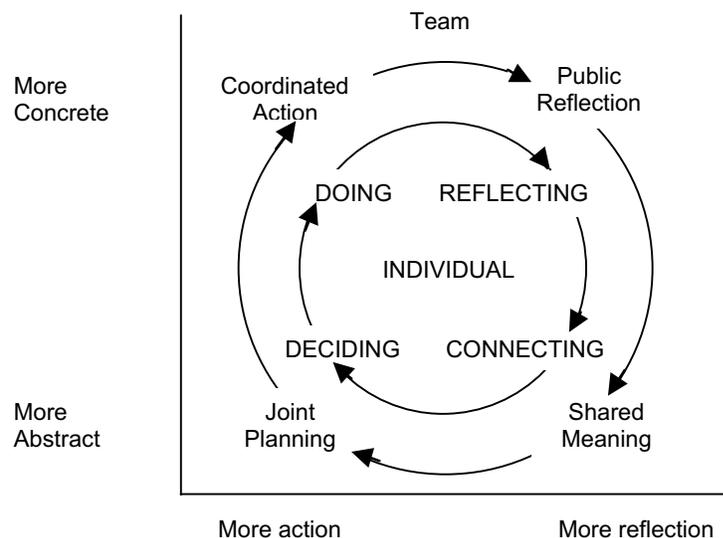
Learning and decision making

Organizations and the individuals within are constantly making decisions, some of which are planned decisions and others which are not. The unplanned decisions are generally handled through informal problem solving processes, whereas most of the planned decisions are made by habit. These habits are structured in large part by formal operating procedures, but the habits are so inculcated into the behavior of individuals that writing about them is unnecessary.

Organizational structure also guides decision making. By grouping activity, the organization conveys expectations about who receives what types of information

frequently, and the locus for goal achievement and decision points. In larger organizations, market research offices lead the intelligence phase of decision making and product development and planning offices lead the design phase. In small organizations, these functions are often carried out as a part of the job of the leader.

In The Fifth Discipline¹⁴ and the subsequent The Fifth Discipline Fieldbook,¹⁵ Peter Senge and co-authors describe how people learn in a cyclical fashion, moving from the abstract to the concrete, and from reflection to action. It is often important not to decide quickly, but rather to allow for new thoughts, for further discussion, and even for reflecting how other decisions have been made and how well received and implemented they have been. The authors talk about the “wheel of learning” and tapping a more natural rhythm of individual decision making, depicted in the center of the graphic below:



Team learning

Senge and company go on to suggest that just as there is a wheel of learning for the individual, so too is there a similar wheel of learning for the team. Thus the reflection stage for the group is one in which people publicly discuss their “mental models” and beliefs as they process what they are planning to do and what they have learned in the past to help them with this decision. Establishing some common ground enables the team to move from reflection to the stage of shared meaning, or what it is that the group knows. In this stage the team refines its shared vision and values. This stage is followed in turn by joint planning and the creation of actions, and possible structural change to accommodate the decision under consideration. And finally there is coordinated action for implementation.

The authors note that many people think they can skip the public reflection and shared meaning stage, but those are two most crucial stages. If participants spend enough time reflecting together to build share meaning, they will often end up with coordinated action without the need for planning.

Typically, individuals gravitate toward and excel at one particular part of the learning process. The challenge for the leader is to utilize the unique skills of the individual at the key points and to move the process. The authors note that this is not an easy task. It requires energy and mental finesse, the ability to hold fast to a sense of purpose, and the willingness to understand mental models of people with learning styles other than your own.

Team learning is the third of five disciplines that the authors describe as the strategies and tools for building a learning organization . . . that rare type of organization that overcomes typical organizational learning disabilities to understand the threats to its future and to recognize and act on new opportunities that others do not see. Incorporating science, spirituality, psychology and management thinking, this is a Whole Earth Catalogue-like presentation of thinking about organizations and what practices lead to greatness within organizations. In addition to team learning the other four disciplines are:

- *Personal mastery*, which has to do with an individual's vision and passionate commitment to lifelong learning and development of new skills and which is a central characteristic of master craftsmen
- *Mental models*, which are the virtually unconscious assumptions, myths, and stereotypes that are part of our personal understanding of the world and its workings and which have great power in guiding or blinding individuals to new opportunities
- *Shared visions*, which are the commonly held and widespread stories that bind individuals to the common purposes of an organization, and finally
- *Systems thinking*, the fifth discipline, which is a way of understanding interdependent wholes and the logic which operates within.

For some, the learning organization is a management fad of the 1990's rivaled only by the "reengineering" craze, which has now greatly dissipated. Like its predecessor of the 1980's, Total Quality Management, lack of tangible results may be contributing to its decline. Nonetheless there still are many "learning organization" practitioners in large corporations, and the vision that Senge presents and the practices he suggests continue to be recognized and taught in the business leadership field.

Managing conflict through negotiation

Conflict is a natural occurrence in organizational life, and leaders need to learn to manage conflicts, both internal conflict (within the organization, generally between individuals) and between the organization and other organizations and parties. Fisher and Ury, in *Getting to Yes*,¹⁶ describe an approach to negotiating differences called "interest based bargaining". Developed in conjunction with Harvard Negotiation Project, the authors describe the traditional negotiating process as positional bargaining, or the typical haggling that takes place when one attempts to negotiate a price of an article in a secondhand shop. Instead they present another approach to negotiation, based on four core principles which include:

1. **people**: differentiate the people and the problems
2. **interests**: identify and articulate interests rather than positions
3. **options**: generate options that will satisfy both parties before making decisions
4. **criteria**: create objective standards for measuring the results.

Separating the people from the problem is a way of recognizing 1) that people have dramatically different ways of seeing the same thing but describing it differently and 2) that it is difficult to communicate clearly, even when parties know each other well and have shared experiences. Complicating matters are the fact that emotions are often entangled with the objective merits of a problem, and that people's egos become identified with their position. Successful negotiations require that the personal relationship between parties, and the substantive issues, be separated and each dealt with separately.

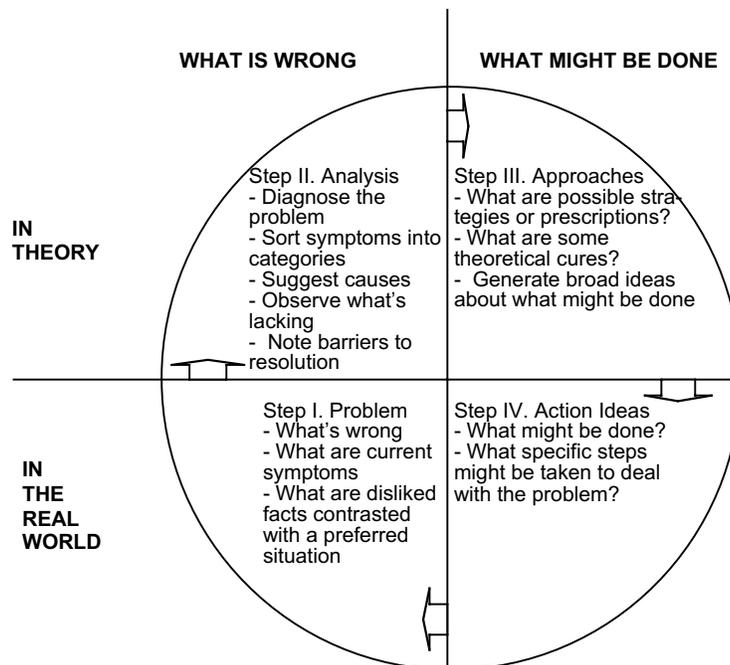
Fisher and Ury argue that the **people problems** can be categorized in three ways; as perception, as emotion, or as communication. They emphasize that perception is probably more important than reality in resolving conflict, for conflict resides in people's heads. The truth is simply one more argument for dealing with the differences that create the conflict. They emphasize how easy it is for both parties to forget that they must deal with their own people problems, as well as those of the other party. They offer five techniques for dealing with perception problems, including 1) putting yourself in the other party's shoes, 2) not deducing the other party's intention with your own fears, 3) not blaming the other party for your problem, 4) discussing each others perceptions, and 5) making face saving proposals, or proposals consistent with their values. On the issue of emotion, they suggest recognizing and understanding that emotion exists and is an important ingredient in negotiation, that emotions should be made explicit and acknowledged, that emotional outbursts may occur but that you should not react to them, and that you must sometimes allow and even encourage others, and yourself, to express strong emotion and let off steam in order to achieve progress. They also recommend using symbolic gestures, including simple apologies where appropriate, to achieve constructive emotional impacts. Finally they recommend communication strategies, such as active listening, speaking for a purpose (meaning knowing what you want to communicate and knowing the purpose the communication is likely to have), speaking about yourself, not about them, and speaking to be understood.

The authors state that wise **solutions reconcile interests**, not positions. "The basic problem in a negotiation lies not in conflicting positions, but in the conflict between each side's needs, desires, concerns and fears. . . Behind opposing positions lie shared and compatible interests, as well as conflicting ones." Successful negotiation requires surfacing those interests. In talking about your interests, it is important to make them come alive by showing their importance and legitimacy. Be specific. Additionally, acknowledge the interests of the other party, for if you don't understand or appreciate their interest, they are far less likely to understand or appreciate yours. Additionally, putting your problem before your answer, and looking forward to a resolution rather than backward at the causes of a problem, increases the likelihood of resolution.

The third principle, **invent options** for mutual gain, overcomes the common obstacles of premature judgment, the idea of a single “right” answer, the assumption of scarcity and that the “pie” is fixed, and believing that the problem is the other party’s, and thus that they are responsible for solving it. Good decision making lies in selecting from a great number and variety of options. The authors suggest several ways to create options, including:

- separating the act of inventing options from the act of judging them or deciding on their virtues
- broadening the number and types of options instead of seeking a single answer
- searching for mutual gains
- inventing ways of making the other party’s decision easy.

The authors provide a circle chart which diagrams four steps in inventing options, below



One way of generating options is to look at the problem from different vantage points, such as through the eyes of different professions or disciplines. For instance, a child with behavior problems in school will be seen differently by a doctor, a nutritionist, a lawyer, a parent, a principal, or football coach.

Another option generating approach is to formulate options of different strengths, as the following chart suggests:

<u>Stronger</u>	<u>Weaker</u>
Substantive	Procedural
Permanent	Provisional
Comprehensive	Partial
Final	In principle
Unconditional	Conditional

Binding	Nonbinding
First-order	Second-order.

Finally, you should formulate **criteria** and objective standards for assessing results. If you are able to identify standards of scientific merit, of fairness, or of efficiency, you will be far more likely to achieve a wise agreement. The standards need to be independent of each parties' will, but also legitimate and practical. Different standards, depending on the specifics of a dispute, might be based on market value, precedent, professional standards, cost, what a court would decide, reciprocity, and others.

While objective standards may apply to the substantive dispute, sometimes applying fair procedures can resolve conflicting interests. The classic 'cake cut' method illustrates this point. When two children fight over the last piece of cake, resolution may be found by offering one the choice of cutting the cake, and the other the choice of choosing the piece. Other procedural solutions involve drawing lots, taking turns, or letting someone else decide.

In order to facilitate discussion of criteria, the authors suggest three important points. First, frame each issue as a **joint search for objective criteria**. A party selling a house will want a high price, and a buyer will want a low price, a situation that, left along, results in impasse. A helpful discussion would be to search for a fair price, and a basis for determining fairness. Second, "reason and be open to reason" regarding the appropriateness of the standard and methods of applying the standard. If you or the other party advance a certain criteria as the only standard for fairness, and are unwilling to consider other standards, then you are likely to reach an impasse quickly. The challenge is finding other standards and also other ways of applying them. The third suggestion is never to yield to pressure, but only to principle.

Letting staff go

Hiring talented staff and keeping them invested and contributing to the organization is its own reward, for the organization benefits as a result. While we will often be frustrated when such talent leaves, as many inevitably will, we also should take satisfaction in having worked with such individuals, with having contributed to their knowledge and experience base, and with knowing that the pool of goodwill that has been filled as a result may well bring benefits in the future too. A boss of mine used to say, take good care of your employees for one day you may be working for them. But what about the reverse; what happens when we are not successful with staff?

Sometimes there are people who simply do not seem able to fit in, or who appear to lack the motivation, experience or competency to do what you expect and require. Larger organizations anticipate the likelihood of such problems, and offer a range of corrective actions before considering dismissal. These are generally built into the "benefits" of the organization, and include such practices as opportunities for training and development, sabbaticals, or the use of a coaching process outside the normal management channel. Some industries, like construction, have dispute resolution or mediation professionals, whose job it is to mediate workplace conflicts. Dismissal avoidance strategies may also

be available, such a reassignment within an office or a new geographic location, or, in the more extreme case, voluntary resignation rather than firing. But when a manager has done all that is reasonably possible to understand the issues and take corrective action, and when other corrective or dismissal avoidance strategies are exhausted, or unavailable, as is generally the case in small businesses, then you have no alternative but to terminate employment.

Letting an employee go is an unhappy task, and with good reason, for it represents a failure either in the initial hiring process or the subsequent management process. Perhaps the most important investment an organization can make, the investment in an employee, has not produced a desired return. But when you have invested, and you have made efforts to support that employee to every extent possible, but the efforts have not improved the performance or the situation, then you need to act.

If and when you have reach the decision to terminate an employee, you should consider taking certain preparatory steps prior to communicating your decision. Given the growth of workplace litigation, you should consult an employment lawyer or other personnel issues specialist who is available to you. Some times this can be a board member. Also, review your communications with the employee. Make sure you have given the individual specific examples of what acceptable performance is, and where and how the individual's performance has been unacceptable. You should review what may exist in the way of documentation of your communications on these issues over time. And when you actually have the conversation, be as straightforward as possible with the individual. Do not expect this to be an easy conversation for you or for them. Give the employee some appropriate notice between the communication of your decision and the date on which pay will cease. Depending on the person, you may or may not want them to stay around during this period.

You should also be aware that this action will trigger a lot of concern from the other team members, and you will have to deal with their feelings and concern. But even after you have expressed yourself on the issue, and even when other team members have supported your taking this action, they will nonetheless experience repercussions. It will take some time for the group to return to their normal levels of performance.

Section 4: Operating the Organization

What is the business of your organization? Is it serving consumers through a drop in center? Is it providing feedback to providers on your membership's perceptions about the services they have received recently? Is it providing services in conjunction with a local provider organization? Whatever you do, one of the most important challenges for your organization is defining and expressing for you and for your many constituencies what you do and what you are trying to achieve.

Operations

Whatever services you provide, offering them effectively, efficiently and affordably are an important part of the challenge you face. How you as a leader handle this challenge is a big factor in making your organization successful. It is something you must consider and ensure.

Differing types of leaders encourage good operations differently. Some tend to reach down into the organization to a greater degree than others to get a better handle on operations. The engineer leader, typified by the style of leadership exhibited by President Jimmy Carter, seeks substantive information on issues and the inner workings of the organization, in order to make policy. President Reagan, exemplifying the contrasting style, convened his lieutenants to recommend decisions to him, often with only moderate discussion. He rarely asked for details, expecting each successive layer in the organization to manage the appropriate level of detail and policy.

Operations are the "what" you deliver or offer, the meat and potatoes of what you do every day. It is your services, delivered to your market. Many organizations have policy and procedure manuals that describe in precise detail the practical working knowledge base of the organization. A managed behavioral healthcare company, for instance, has policy and procedure for its interactions with providers, including for the initial credentialing of the providers, the provider application form, the criteria used in contracting with providers, definitions of the types of services they will reimburse, the reimbursement rates, the procedures for billing, the medical policy by which the company makes medical necessity judgments, and protocols for customer service staff of the provider relations department or the quality management staff to use in evaluating providers, utilization management protocols for internal clinical review staff, and on and on. These policy and operations manuals fill bookcases, and are the proof statements for managed behavioral health companies to client companies, demonstrating that they know their business.

Consumer organizations will not require such detailed documentation, but some form of written policy and procedure documents that you know the core parts of your business, whatever it is. These policies will provide assurance, not only to your own staff, but also to outside organizations, that you have thought extensively about your operations and have gone to the trouble of writing down your processes, principles and data capture and reporting points. Documentation might include flow charts, tables of contents for the organization's file systems, and related financial and program records.

Quality management

Quality management is the process of examining your operations in a structured, non-defensive way, to make improvements, and doing this regularly as part of the course of everyday business. Quality management is as much an ideology as it is a management practice. Quality managers, within the organizations which have such positions, tend to review one or several parts of the organization at a time, and, over the course of one or more years, examine all aspects of the business.

Led by W. Edwards Deming, an engineer, who studied Japanese business processes in the 1950's, the quality management, or continuous quality improvement movement, was based on several ideas, key among them being a belief that individuals are born with intrinsic motivation to learn, to take pride in their work, to experiment and to improve.¹⁷ As a result of his studies, he proposed that authority to study and improve work process should become a responsibility for front line workers, and not just managers, thereby igniting an engine for continuous improvement. Deming proposed that efforts for quality and productivity improvement be incorporated within an organization for quality, reporting to top management with local counterparts throughout the organization. While the quality leader would not dictate quality techniques, he or she would make sure that people throughout the organization learned and understood quality principles and practices.

Knowing how your customers perceive the quality of the work you do for them, and your ability to find ways to receive their candid feedback, are important parts of the quality feedback loop. Many service organizations use customer service questionnaires to obtain this information and to target future quality improvements efforts.

Accountability

How are you accountable to your funding source(s)? Do they expect periodic reports? Do you have performance standards, such as visit rate or a number of calls to your 800 number per week or month?

It is very important to document how you perform. For example, a consumer leader pointed out the success they experienced by simply reporting on the cost effectiveness of their service, though this data element was not originally envisioned as a benchmark. They operate a drop-in center service. They keep track of the number of people who attend and have an estimate for the average length of visit. They also keep track of their annual cost of operating their center. Thus they can calculate an average per diem cost per member. It turns out that cost is less than 10% of the per diem cost of the local day care center, and yet the service goals are very similar . . . basically assisting individuals to manage and recover from their severe emotional distress, to find and engage in meaningful community activity, and to sustain their independence in the community. Thus, the drop in center, simply by reporting its per diem cost, demonstrated and reported its cost effectiveness in a very compelling manner.

Being accountable through some form of reporting is one of the basic and most important activities an organization can undertake. It builds your credibility, establishes your “track record” in an objective way, and can create the necessary information ammunition for renewing your program. Choosing the right things to measure is not easy, especially in the early stages of a program, where it may be hard to demonstrate cause and effect, and knowing what to measure is not something all can agree upon. Clearly, you want to measure something that you can achieve, and you want to measure something meaningful.

The choice of whether to measure now, and what to measure, can be difficult because there are too many choices. The other case can also be true, namely that your funder wants you to report only one or several things, end of discussion, period. You can choose to measure also sorts variables. Systems thinkers suggest you can measure all kinds of things, ranging from the program inputs (the space, heat, light, personnel, etc.), its throughput (the types of programs, interactions, activities), its output (the number of hours of types of activities experienced by an average member, the per diem cost of the program) or its outcomes (the fact that someone recovered, or reported feeling better as a result of some level of participation, or was not rehospitalized).

One of the problems in measuring is the cost of applying the measurement. Capturing outcome data is difficult, and generally requires a research design, the more rigorous of which (experimental design rather than quasi-experimental) is all the more compelling and expensive. The problem with reporting is that, if it is not budgeted originally, it will be hard within the existing budget to find the resources to do it, since most program budgets are minimal at best, and offer little wiggle-room or reprogramming opportunities.

One of the measurements systems used at Roscoe House, a community residential program, was called goal attainment scaling. Each member when they entered the program, established several relevant goals for themselves, which they would measure at periodic intervals thereafter. Roscoe House rated their program on the degree to which people were successful in reaching their goals. The managed behavioral healthcare industry measures all kinds of activity, from outcomes such as patient satisfaction (surveys, generally mailed to a statistically significant sample of persons who have ended service, rating differing variables on a multi-point scale, from hi to low or better to worse) to performance standards (outputs) like call abandonment rates for calls coming into their 800# service line, or to numbers of clients rehospitalized within one month of a hospital discharge (both an output and an outcome).

Before establishing a new reporting schema, it is well worth the effort to check with your counterpart organizations regarding their experience in this area, and treading carefully, for statistics can help and they can also bite. Checking with your local university research shop (sociology, social work, psychology, etc.) might produce some available talent to help conceive or augment an evaluation project. This type of activity is often what community foundations or other types of foundations will fund.

Physical and financial assets

Managing and making the most of the physical and financial assets and aspects of an organization requires methodical application of energy and focus from leaders. While these activities are generally delegated, they are important areas of executive responsibility. The physical environment in which you operate has an immediate impact on all with whom you come in contact, constantly broadcasting many types of messages about who you are as an organization and what you value. Your budget, cash flow and financial record-keeping practices are all areas that will be scrutinized by decision makers who review your programs.

Physical assets

The physical assets of the organization consist principally of the space in which your offices are located; the supplies, materials and furnishings you use; and the equipment or technology resources, such as phones, computers, software, that support your operations.

Your space makes a statement about who you are. If it is located within a mental health center, a part of your identity as an organization is associated with that center, and your work takes meaning from the meaning of that larger organization. Being in a more traditional office or business environment speaks to your independence as an organization, but in a business office area may not be an ideal location for a social club setting, depending on your immediate address and community. Obviously there are many social messages conveyed by neighborhood in which your offices are located as well. Its proximity to public transportation, the availability of parking, the environment after business hours are all considerations. Your key concern should be whether the location and space messages that are spoken by your offices are those that you wish to convey, and if not, what alternatives are available in the long and short term.

The comfort, cleanliness and security of your space are also important considerations, as well as the way the space works for you and the functions of your organization. New leaders of existing organizations, when they take control over their space, sometimes make a cosmetic improvement, such as new paint and or curtains or furnishings, to their office space as a way of making an impact with important psychological dimensions.

Your web site is also a physical space in which you communicate about who you are and what you do. How current your posting are is a way of showing how important the web site is for you. Many organizations find that web sites are really pretty expensive items when the web site is really not a primary way to relate to their constituencies. On the other hand, a good web site doesn't have to cost a lot of money, or compete with commercial sites in its design and functionality, to be a powerful communication mechanism.

Finally, the equipment and technology that you deploy in operating your programs are important to plan for. Capital budgets rarely are generous, and these are capital items. There are hand-me-down resources, as well as secondary markets for telephone systems and for computer systems, but without good technical assistance, and especially maintenance resources, you want to be judicious about what you search for and what you

will accept. In making purchases of technical equipment, nothing works as well as careful planning, budgeting, and a viable purchasing strategy. Of course, the most difficult part of the strategy is first knowing why you are undertaking it and what you hope to accomplish as a result (Covey's "start with the end in mind").

Financial assets

Managing the financial assets of the organization is obviously critical. Your budget, cash flow and financial record-keeping practices are all areas that will be scrutinized by decision makers who have granted you money and who will review your progress. You cannot be successful as an organization if you do not understand the money aspects of your organization. While you can delegate the daily work in this area to individuals with expertise, you will want to know and understand what an income statement is and how it differs from a balance sheet. You will need to learn the difference between capital and operating budgets, and terms like overhead and cash flow need to become real for you, if they are not already. Without a financial background, these are not simple concepts. On the other hand, they can be readily and gradually learned.

Take some time to learn by rolling up your sleeves occasionally. Get your bookkeeper to explain what he or she is doing and why. Being able to talk intelligently about the financial aspect of your organization and to state the issues you face in financial terms, as well as human terms, makes a big difference for certain critical audiences.

Do not be cowed by accounting systems and the kind of validity they attempt to exude, based on the assumption that they are a "value-free" expression of the operation of the organization. The reality is that budgets and accounting systems are merely forecasts and records, containing all kinds of assumptions that may be explicit or not, and valid or not.

And if you ever find yourself in a difficult financial discussion, and someone doesn't like the numbers you are presenting, use the old accountant's trick of defocusing your audience with an erudite Latin phrase such as, "Hic est numerus, plus aut minus." (This is just a ballpark figure).

Servicing your customers

Serving your customers well and maintaining good customer relations is another important part of operating your organization. This task can fall through the cracks because the sales and marketing or development side of the organization may believe this is their responsibility, but fail to execute it well. Making sure you take good care of your existing customers is so important. They not only are the reason you exist as an organization, but they also are the most likely source of new revenue for you. The cost of obtaining a new customer is probably five times higher than the cost associated with selling a new service to an existing customer. Because the existing customer knows you and already uses your services, they are all that much more likely to acquire new services from you. Trying to get someone who does not know you to buy your services is far more difficult.

Larger companies with multiple existing customers usually have at least one person who focuses extensively on maintaining those customers by serving as a point of contact, by listening to them, by solving their reported problems and by doing everything with their power to prevent any problems from occurring in the first place.

Delegation

Delegating is a leadership activity that ranks in importance with the other key executive activities of planning, organizing and monitoring. Knowing when to delegate, why, how, to whom and what makes your work as an executive more manageable and your organization more efficient and effective. Effective and extensive delegation frees you to attend to the highest level challenges and motivates and energizes the other members of your team.

Effective delegation enables you to motivate and develop the leadership skills of your team. This requires that you are prepared to take some risk with the person to whom you are delegating and with the delegated activity, a risk which can be moderated by monitoring. It also requires that you provide sufficient authority to the individual to act to accomplish the activity. Providing sufficient authority also helps staff to take ownership and control of the activity, and results in the pride of accomplishment, when successful. Establishing parameters of authority, as well as time frames for action, expectations for what will be accomplished, and periodic feedback mechanisms all contribute to a successful experience. You must have a reasonable level of confidence that your direct report can accomplish the activity, and you must be prepared to spend sufficient time and possibly other resources to help them accomplish the work. By delegating more, rather than less, and by delegating successfully, you can create a highly motivated team with high self-esteem and a strong sense of self-direction and empowerment.

Time management

Choosing the activity you will attend to next is an important choice that is made repeatedly throughout every day, every week and indeed, throughout our lives. Many of us make these choices with little hesitation, and sometime with little thought, because we intuitively know how we want to spend our time. But as leaders, we often find ourselves confronted by many different demands, some of which are important and some of which are urgent, and some of which are not, and making these choices can be difficult. Obtaining and maintaining clarity about those choices is the essence of time management, learning where and when to say no and when to say yes.

In his time management matrix (below), Steven Covey differentiates activities according to the degree of urgency and importance¹⁸.

	URGENT	NOT URGENT
IMPORTANT	Quadrant 1 Activities: Crises Pressing problems Deadline driven projects	Quadrant 2 Activities: Prevention Relationship building Recognizing new opportunity Planning, recreation
NOT IMPORTANT	Quadrant 3 Activities: Interruptions, some calls Some mail, some reports Some meetings Proximate, pressing matters Popular activities	Quadrant 4 Activities: Trivia, busy work Some mail Some phone calls Time wasters Pleasant activities

Urgent activities are those that demand immediate attention and reaction. They literally force themselves on us and are usually quite visible. Important activities, by contrast, contribute to our mission, values, and high priority goals. They have to do with results, but require more attention, concentration and usually a block of time.

Successful leaders spend most of their time on Quadrants 1 and 2, minimizing the amount of time in quadrant 1 to the maximum extent possible. Those who spend their time on quadrants 3 and 4 cannot be successful by definition. Individuals overly focused on quadrant 3 have a short-term orientation, a crisis management style, and often feel out of control. Those who over focus in 1 and 3 are over stressed and often burn out quickly. Even though they may be doing some important work, they soon have no agenda, and become deadline driven producers and crisis managers, grinding away daily on problems radiating urgency.

Covey suggests that time management thinking has evolved from a first generation who emphasized the compilation of notes and checklists to order the demands of management. A second generation incorporated the tools of calendars and appointment books in an attempt to schedule the future. A third or current generation focuses on setting priorities, short, intermediate or long term, which are managed relative to their contribution to the overall values we seek to achieve. Daily planning enables the manager to undertake only those priorities and projects will yield the greatest worth. Covey suggests that the emerging fourth generation wave rejects the notion of “time management” which focuses on things and time, and instead focuses on “preserving and enhancing *relationships* and accomplishing *results*”, thereby managing ourselves and our production and productive capacity. He emphasizes that “the essence of effective time and life management is to organize and execute around balanced priorities.” Being a quadrant 2 manager helps achieve Covey’s mantra of putting first things first, but it requires a good deal of focus and saying no to many intriguing and often pleasant urgencies that confront us.

Section 5: Planning for the Future

Survival is the first priority of an organization. The younger the organization, the greater the risk that the organization will not survive. In fact, most new organizations do not last more than three years. The good news is that once you get past three years the likelihood of continuing as a viable entity increases each subsequent year. However, once you have survived you must also grow. Organizations do not thrive long term unless they are capable of growth. Growth allows new inputs and new energies to be available which are necessary to continuously revitalize the organization.

Organizations are dynamic entities, constantly acting, being acted upon, and undergoing changes along many dimensions. Consumer groups inevitably undergo changes in staff, leadership, membership, or the board. They must typically respond to changes in the revenue of the organization, its ability to generate a surplus or create an endowment, the business environment (demand for its particular services), the level of public support for its mission, and the larger economy. The organization must anticipate and plan for a constantly changing environment. When the organization responds well to new demands, it grows.

An effective leader must conceptualize what growth means to the organization and how to go about it. In the private sector increasing revenue (the top line) and increasing profitability (the bottom line) are the key goals. Thus, growth is generally the most direct and fastest path to success. In the non-profit world, growth does not have the same primacy, though it often takes similar forms. For example, consumer groups might define growth as having others adopt the principles, values and practices of their organization. Thus, expansion could occur from an organizational effort to help others form similar groups, as in a private sector franchise model. Growth will generally involve increasing membership, expanding types of service offered or client groups served, adding customers or geographic areas. Increasing revenues and new funding sources are likely to accompany such growth. Planning for growth might mean determining how to identify alternative funding sources and obtain their financial commitment. If a non-profit has only one funding source, withdrawal of that support could have dire consequences. Therefore it is critical for leaders to develop a strategy and a process for growth.

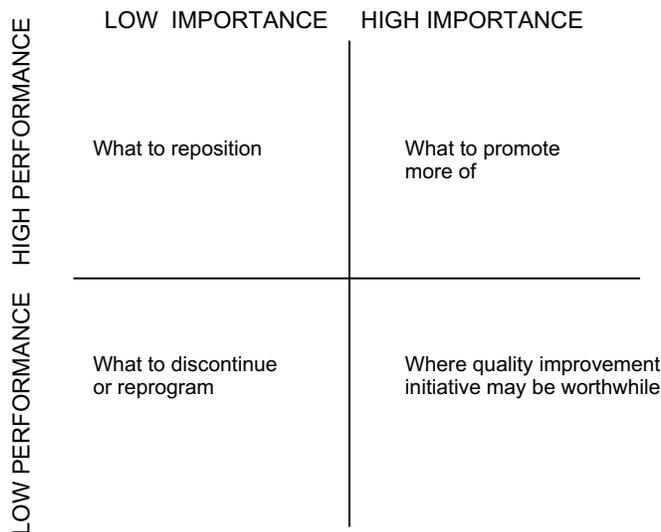
Types of planning and processes

Organizations plan their future to the extent possible. Planning includes strategic, or long range planning, in which the many forces affecting your organization are assessed and a strategy for taking advantage of opportunities and for mitigating threats is formulated. In distinction to strategic planning is operational planning, in which goals and objectives are formulated and translated into an annual plan, or an operating plan, with the application of budgets to activity. Businesses planning refers to the formal business plan document, generally projecting five years into the future, that is typically the vehicle through which capital is raised for new business ventures.

In the Fifth Discipline Fieldbook, Senge and colleagues speaks negatively about the typical corporate planning and budgeting process, during which leaders of a company are, “preparing for and carrying out endless efforts to measure the corporation’s results, set objectives, inform the board and shareholders, create budgets, and bring the system under control.” Instead, he argues instead for a planning process in which the top managers and leaders retreat to a neutral setting to express their personal vision about what they should be doing with the organization to maximize its potential, and then extending these separate personal visions into a shared vision. A third step involves mapping the current reality with all its limitations and impediments both outside and inside the company. The following step involves consideration of the strategic priorities of the company, and then the collective allocation of resources across the organization to achieve the vision. The final step is choosing or committing to the plan, and implementation.

One of the stand-by planning tools is SWOT analysis – strengths, weaknesses, opportunities and threats. Using this type of analysis to map the business environment in which you exist can be a useful planning exercise. It stimulates good brainstorming. However it suffers the deficit that it does not lead to action, but rather the compilation of interesting lists.

Opportunity mapping, summarized in the graphic below, is a more action oriented process. Participants first list the capabilities, features, attributes or characteristics of their programs. Then each member of the planning group rates each of these capabilities on two dimensions – one for the organization’s performance and the other for the importance of this capability for customers. Each capability is then rated along a multi-point continuum from hi to low, or numerically. This produces a four-cell matrix, as follows:



By mapping your capabilities into each cell, you can then decide what kind of actions would produce benefits for the organization. For instance, you will want to consider promoting the capabilities that you perform well and that have high importance for your customers. Is there some prospective customer who should know how well you are doing

here? By the same token, perhaps you should discontinue that aspect of your service that is in the low importance, low performance cell. The high performance, low importance sector is perhaps where you might do some reengineering or repositioning. Is it necessary to expend the energy to perform so well here when the performance is not important to the customer? Perhaps those energies could be reapplied to the capabilities in the high importance, low performance cell. Certainly these later capabilities should be considered for quality improvement initiatives.

If your customers are both primary and secondary (primary being the members or consumers you serve, and secondary being the funding source, perhaps government or a foundation), the analysis will be more complex, and the conclusions perhaps not as obvious. Additionally differing members of your leadership team will score capabilities differently, and that difference will be readily apparent if you use numeric scores. The average is important, but so too is the deviation from the norm. If you use numeric scoring in conducting this exercise, the differing opinions, expressed as scores, will be worthy of discussion.

This analysis framework can also be useful for gathering differing viewpoints. In addition to the ratings provided by your leadership team, you should also consider asking your customers, primary and secondary, for their views. The sales departments of larger organizations will often host a retreat for their customers, and reserve a portion of the event for gathering and discussing these kinds of issues. You may also want to apply this framework to analyze and better understand your competition.

Promoting growth

In the planning processes described above, the issue of growth is not the primary concern. But when growth is a primary object, the processes and locus of planning shifts.

In the private sector, planned growth is generally described within a business plan, which is a funding document written for investors, depicting the company's future and the ways in which investment capital will be applied to produce a viable, profit generating operation. Most public sector organizations do not use a written business plan, but it can be a useful tool for non-profits because in its many sections there is a rigor and logic that can usefully be applied.

Just as the private sector uses the terms "sales" and "marketing" as a way to refer to the income, or "top line", enhancement processes, so non-profits use the word "development" Most non-profits are membership organizations which generate new revenues by increasing membership and/or the donations of members, or by the grantsmanship process, in which government and foundations are the primary targets. Non-profits tend to seek funding from the government for sustaining activities and from foundations for the development of new ideas or practices, though this oversimplifies the complex reality of public fundraising.

In either sector, certain rules apply to growing your business, whether it is public or private, for profit or non-profit. First of all, if growth is a goal, someone has to be

responsible for it, whether it be the executive director, contributing 10% of available time to the issue, or a full time staff person, or a full sales and marketing or development department.

You also need to know what your current market(s) and submarkets are, and who are the customers in those market segments. As noted earlier, consumer organizations have both the primary customer, the members of the organization, or persons served, and the secondary customer, or payor. This is one of the more difficult aspects of health care services because each “retail” sale or service to a member is dependent on a prior “wholesale” sale to a funding organization, which purchases services for your members. You don’t really have a viable service unless you have accomplished both sales. A grant without a well attended program is soon a grant discontinued or not renewed.

Knowing your customers well is another requirement. Do you provide as much opportunity as possible to learn about what your customers think about you? How do you get your feedback on your performance. Do you have feedback loops that prevent problems from occurring before they become problems?

You also need to know where you expect your growth to come from, and the assumptions you making in formulating these expectations. Are your planning a new service or product that will cost your existing funder more next year, or will this be shopped to a new funding source? Is the expanded budget a result of expanding your program into a new community previously unserved?

Is the expansion the result of something you carefully developed from market research and product development, and subsequently aggressively marketed, or is it something that resulted because a public official saw your appearance during a television interview and requested your efforts in her community as well? Did it come from the efforts of someone who received your services years back and is now your advocate and in a position to make something happen?

And what about your competition? Do you have any? How do you know? How well do you know your competitors, and, more importantly, how do your capabilities compare with theirs? What are the benefits and features of their approach, as opposed to yours? When was the last time you met with them in an effort to build a relationship or improve your market intelligence? Mergers, affiliation and acquisitions happen in all industries, especially as an industry matures and consolidates. It is important to have an awareness of the business cycle of your industry and whether there is some reasonable basis for upturns and downturns.

And how many sources of funding do you have? One? More? Having only one purchasing source makes you highly vulnerable to the wishes and whims of that source, however prudent, well endowed and high minded the source may be. Diversification of your product or service offerings and funding bases is not easy, and takes time, but it is a way to maximize your chances for survival and growth.

Developing new customers: marketing and sales

Marketing and sales go hand in hand in the effort to grow your services. The marketing involves market research, a process of gather the relevant and necessary information to determine what to sell to whom and product development or refinement, a process of improving what you provide by clarifying its features and the benefits of those features for your markets.

The constituencies of consumer organizations are their markets. These include consumers, and their family and friends, which we have spoken about as the primary market or customer. Another is governmental entities at all levels (local, state and federal) and foundations. Both of these are secondary customers. There may well be others, depending on what you do, such as private managed care organizations serving or seeking to serve the public sector, your related industry, interest and professional organizations, and others. Each of these are a possible market, but you will need to carefully assess whether, how, and why to enter these markets, especially if they are new markets, for it will require a considerable investment to produce results.

The section on external communications below is a part of marketing as well, but we treat it separately for the sake of convenience. Your marketing communications are documents explaining your organization, such as a capability statement or brochure. Your web site, if you have one, is an important marketing communication tool. Other useful documents are annual reports, and sometimes earlier proposals. These are tools that you want to broadcast to your markets so that your organization develops name recognition.

On the sales side of the organization are personnel that are usefully divided into hunters and farmers. The farmers tend to the existing business and the hunters find the new business. The farmers must be integrated within the operational side of the organization, but they serve a vital purpose for sales activity as well, because existing customers are the most likely source of growth for your organization. The cost of obtaining a new customer is probably five times higher that the cost associated with gaining new business from an existing customer. This is in part because new customers don't know you, and since you are unfamiliar, you face a major educational and relationship building challenge. Thus, making sure you take good care of your existing customers is the easiest way to meet your growth targets.

But when you are doing all you can with existing customers, it is time to approach new customers, an activity that requires a new set of skills and procedures if it is to be successful. Certainly, grantsmanship is likely to play a role in a new sale, as are the personal and professional relationships and the pool of goodwill that you have developed over time. However there are also some "good salesmanship" basics that will ultimately affect your success more than anything else.

Selling your services to new buyers is a numbers game. It is not about dynamic personalities, but rather about carrying out a set of basic activities that are described, albeit in many different manners, in many of the books on selling. My personal favorite is The Complete Selling System by Pete Frye.¹⁹

Frye describes sales as a systems problem and a process which involves successively and effectively narrowing the potential prospects for your services until only the real purchasers are left, and they make the purchase. It is a pragmatic approach that helps the responsible party stay focused on performing the right kinds of activities with the right people in the right organizations, and not wasting time trying to interest people and organizations in your services where you have no chance of being successful. Frye asserts that the process of funneling prospects is unique for each organization, which must be developed and articulated for that organization.

External communications

External communications are the informational tools and process by which you stay in touch with your constituencies. Marketing is the process of presenting your communications in a way that effectively transmits your values and vision, your brand if you will, and contributes to sustaining and growing your organization.

Every organization must retain and improve its connections with its constituencies. Keeping your constituency informed about what you are doing that is important for them to know, and continuing to broaden your constituency as appropriate, are important leadership undertakings. So too is regular communication and appropriately timing communications. Releasing press information on a less busy newsday is more likely to result in coverage than on a busy newsday. Call your newspaper if you have not already done so, and find out what days and timeframes are the best for getting the type of news coverage you would like.

There are many venues for communication, such as a printed newsletter, a website, the Internet, a press release, a conference event you are hosting or at which you are presenting, a television or radio interview and others. All these venues have different strengths and weaknesses, depending on your audience and the content of your message. Every time you make a speech or publish an article or provide a workshop, you are communicating with your constituency, and you can potentially make something newsworthy of it.

If you become involved in a public controversy, it can be positive, in the sense that it gets people's attention and places you the spotlight. The problem is being ready for the attention. The television spotlight can be bright and ruthless. It allows for only the briefest of messages – sound-bite sized – and it is difficult to reduce your many messages to one that is perhaps three sentences long. There are ways to get media training to prepare you for presenting in that media. Usually the local television station will talk to you about how this can be done, or where to get more information. Like executive coaching, this can be an expensive educational experience, and there may be way to make it more affordable, such as assistance from the local journalism school.

Developing both your written and oral communication skills can pay significant dividends. Public presentations are among the more important communications that you

will make. Thus developing good public presentation practices is a valuable undertaking. Some of the rules for good conference presentations include:

- First impressions count (try to walk easily and not stumble when leaving your chair and approaching the lectern – don't gulp down a drink of water just before speaking)
- Prepare well (know even the shape of the room, your objectives, the various parts of your speech (beginning, middle, end), the audio visual aids you will be using (test them to make sure they are functioning))
- Get the audience's attention, their curiosity and their trust, as soon as possible by starting in a positive way (don't be defensive about your speaking skills or the content, even if you have some doubts)
- Knowing that audiences have limited attention and receptivity, confine yourself to making only three principal points – people are unlikely to remember more
- Another rule of three – tell the audience what you are going to say, say it, and then tell them what you said – it makes the content so much easier to grasp
- Conclude with impact, using phrases such as “act now”, or offering a question which relates back to your opening remarks or is a rhetorical restatement which frames the content of your remarks, or using an appropriate quotation, or summarizing the pros and cons of your argument and your recommendation.

Conclusion

Becoming an effective leader is a complex and challenging task. No one completely understands how to produce a great or even a competent leader. The nature of leadership is a puzzle which continues to intrigue some of the best thinkers of our day and will likely continue to generate new theory and research. After reading this guide, you should have a greater understanding of how popular writers and highly regarded experts think about leadership, and be familiar with the current jargon in the field.

One area of agreement in the literature is that effective leadership entails self-examination and self-understanding. This is not so daunting for people, such as yourself, who understand that such self-examination is useful. Your experience, openness and psychological awareness give you a great advantage over many CEOs. If you have not already done so, you may want to consider taking a leadership inventory, which should be interesting and enlightening.

Effective leadership also involves obtaining support. One of the weaknesses in the historically male dominated leadership field is the lack of emphasis on the importance of personal supports. This is especially critical for those who are leaders in a group with a controversial mission, for such organizations are more likely to be criticized or attacked in ways the most business leaders rarely have to confront. Being the leader of such a group requires a great deal of courage. Hopefully, you will feel guided by your values and convictions and sustained by the cohesiveness of your group.

It is also important not to become overwhelmed by the demands of your role which can feel so vital because of the importance of your mission. Leaders of groups such as yours can easily become burnt-out. Make sure you seek out safe and trusting relationships both within and outside of the organization. With ongoing support, integrity, your special personal qualities, and the development of new skills, you will be successful leading the organization into the future. And that is true empowerment!

Endnotes

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