

***A Framework for  
Organizational Development:  
The Why, What and How of OD Work***

**Perspectives from participants in the  
Mary Reynolds Babcock Foundation's  
Organizational Development Program, 1995-1999**

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Sandra Mikush and Ann Philbin

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## Purpose of this Paper

This paper was written as a resource for community-based organizations – and those organizations that serve them – that are considering or are in the midst of organizational development (OD) activities. It represents the perspectives and lessons learned of a number of nonprofit leaders who have been engaged in OD work over the long term. These individuals are continuing to learn more about what it takes to be an effective organization and the role that organizational development plays in achieving their organizational mission.

The process of learning is ongoing. There is no shortage of unanswered questions about OD. Many of those interviewed for this paper are struggling with questions such as:

- What are the successive stages of organizational development work and how do organizations continue to develop in an intentional way?
- How do you integrate OD and program work so that they are mutually reinforcing?
- What if any impact can OD work have on the power and impact of the nonprofit sector as a whole or the subset of that sector which comprises community organizations?
- How can those organizations which have experienced the positive impact of organizational development work on their mission work articulate that connection in a way that is compelling to other community-based organizations?
- How do members of our constituency experience the impact of our organizational development work?

All these questions, and many more, are subjects for further research, writing and discussion. This document offers a snapshot of organizational development work from the experience of one group of organizations. We hope it spurs further thinking, exploration and understanding about OD.

We welcome comments and questions that will continue to push our collective understanding of how to increase organizations' effectiveness and sustainability. The Babcock Foundation has posted this paper on its web site ([www.mrbf.org](http://www.mrbf.org)) with the hope that it will be a living document that changes in response to new ideas and insights from nonprofits, organizational development practitioners and foundations. Send us your comments via e-mail at [info@mrbf.org](mailto:info@mrbf.org) or call us at 336-748-9222.

## EXECUTIVE SUMMARY

The Mary Reynolds Babcock Foundation (MRBF) launched the Organizational Development Program in 1995 to help community-based groups in the South strengthen their organizations in order to improve their effectiveness at addressing racism and poverty in their communities. Unfortunately, problems associated with racism and poverty remain stubbornly persistent, requiring sustained action by strong organizations. The Foundation understood that many organizations in the South lacked the resources to invest in long-term organizational development (OD).

Within the first few months of releasing the program guidelines, it became clear that many organizations needed more than money. Some lacked basic knowledge and understanding of organizational development. Others were not convinced that OD work would have direct payoff toward accomplishing their missions. The Foundation has published this document to offer a framework for understanding and addressing organizational development, to make a case for OD as integral to achieving mission, and to share lessons from the experiences of 100 organizations in the Babcock program.

### **What is Organizational Development?**

Organizational development is the process through which an organization develops the internal capacity to be the most effective it can be in its mission work and to sustain itself over the long term. This definition highlights the explicit connection between organizational development work and the achievement of organizational mission. This connection is the rationale for doing OD work.

### **Why Pursue OD?**

Board and staff members are motivated to tackle the hard work of OD only when they are convinced of the connection between achievement of mission and organizational development. They must understand the “why” of organizational development. They are guided in their OD work by a vision of an effective and well-functioning organization that can better achieve its mission. In this paper, participants in the MRBF program offer five examples of how OD strengthened each of their organization’s effectiveness at achieving its mission:

- Organizational survival – whether improving basic systems or providing space to understand and address critical transitions, organizations credited OD work with their very survival.
- “Being the best we can be” – by improving the quality of their work through human or technical investments, organizations built their credibility and accountability in the eyes of their constituents and supporters.
- Raising more resources for the mission work – as organizations strengthened their capacity for evaluation, communication, collaboration and fundraising, they attracted more resources to increase the level and impact of their program work.
- “Walking our talk” – by focusing on the values that are the foundation of the mission work, OD led organizations to make a commitment to practice *internally* what they are seeking to accomplish *externally*.

- Developing staff and board members so they can improve program results – by creating an environment where people feel valued and seek continual learning and improvement, staff and board members increased their energy and effectiveness towards the achievement of mission.

### **A Vision of Organizational Health: Components of an Effective Organization**

Much has been published about organizational theory and management, but most academic theories have little relevance to small, community-based organizations with small budgets, small staffs and big visions. Participants in the MRBF program began with a modified framework from academic theories and molded it to fit their reality. This framework has provided a common understanding and language for participants and a starting place for groups new to OD work.

At the heart of an organization is a vision and core set of values. That vision and those values help shape the organization's mission, which, in turn, informs its program strategies, systems and structures. An organization's effectiveness depends on a shared understanding of, and commitment to, the vision, values and mission.

In effective organizations, the vision, values and mission derive from the convictions of people in the organization and inform all other components of the organization. When the core components listed below are in alignment with the vision, values and mission, they are more likely to be in alignment with one another and lead to effective work and a sustainable organization.

MRBF grantees identified the following core components of effective organizations:

- Vision, Values and Mission
- Governance
- Strategic Thinking and Planning
- Program Development and Implementation
- Evaluation, Learning and Accountability
- Human Resource Management
- Organizational Culture
- Management Systems and Structures
- Legal Compliance, Fiscal Management and Public Accountability
- Resource Development
- Constituent Relationships
- Collaboration

In this paper, executive directors describe their organizations' work on these core components and how the work increased their effectiveness.

## **Lessons Learned**

Organizational leaders who have experience with long-term organizational development efforts share the following lessons with those who are considering or are engaged in OD work:

- OD is essential, takes longer than you think, and can be messy.
- OD is a never-ending process.
- Balancing OD and mission work is a challenge.
- People in organizations need support to sustain change.
- The executive director's role is key; board and staff involvement is essential.
- The right consultants can play helpful roles, but they are no substitute for staff and board involvement.
- Pacing the work is wise.

In the last section of this paper, organizational leaders reflect on these and other lessons.

## **A Framework for Organizational Development: The Why, What and How of OD Work**

### **Introduction**

*“Organizations are like kids, it’s all about development. If you give them good, strong values, a clear vision of the future, and the view that everything is possible, they will grow up to be like that and . . . vice versa.”* (Henrietta Zalkind, Down East Partnership for Children)

*“You just have to do it (OD). It’s kind of like ‘good grooming.’ People don’t want to know the details, but you’ve got to look and smell good as you walk out of the house.”* (Carol Williams, ECO-Action)

Some community-based organizations emerge in the wake of a “hot” issue, only to die when public attention wanes or when the founders tire or move on. Other organizations grow organically to meet the changing needs and interests of their constituents, remaining effective and building human and financial resources to sustain their work for decades. Whether an organization takes the first or second path depends a little on luck and a lot on the attention the board and staff pay to developing the organization intentionally over its life span.

Today, as in the past, people form community-based organizations because they want to act collectively to do good, to bring justice, and to make their communities better places to live. Cathy Alston-Kearney, executive director of Warren Family Institute, contrasts today’s reality with the past for nonprofit leaders: “Prior to this generation of leaders, in which nonprofit work has been professionalized, people came to the work because they wanted to do good. They learned by trial and error because there were no resources to do [organizational development] work. Learning by trial and error not only is not necessary, but can be fatal... most people understand this nowadays; it’s not a hard conversion if you can give people exposure.”

The Mary Reynolds Babcock Foundation (MRBF) launched the Organizational Development Program in 1995 with the goal of helping 75-100 organizations increase their effectiveness and sustain their work. The Foundation’s goal was to strengthen organizations in the South that demonstrated effectiveness in dealing with racism and poverty in their communities. Unfortunately, problems associated with racism and poverty remain stubbornly persistent, requiring sustained action by strong organizations. The Foundation understood that many organizations in the South lacked the resources to invest in long-term organizational development.

Within the first few months of releasing the program guidelines, it became clear that many organizations needed more than money. They lacked basic knowledge and understanding of organizational development, such as: What are the core components of an effective organization? What are the competencies needed on the board and staff? How do we assess where the organization is and what needs to be addressed? What strategies are most useful in

carrying out organizational development work? How is organizational development work linked to the achievement of an organization's mission?

Much has been published about organizational theory and management, but most academic theories have little relevance to small, community-based organizations with small budgets, small staffs and big visions. Participants in the MRBF program began with a modified framework from academic theories and molded it to fit their reality. The framework provided a common understanding and language for participants and a starting point for groups new to OD work.

Beginning with this draft framework, the Foundation and program participants have explored OD theory and practice through annual gatherings, grantee clusters, independent work, and consultations with experienced practitioners. The framework has been expanded and changed but remains a work-in-progress.

The Foundation no longer makes grants solely dedicated to organizational development. Based on lessons learned about the importance of organizational development, the Foundation now encourages applicants to incorporate OD goals and work plans into their proposals for funding.

For organizations interested in learning more about organizational development, this paper shares perspectives from organizations about why OD is important for their effectiveness and sustainability (pages 4-6), a framework for understanding and addressing organizational development (pages 7-8), and an outline of core components for effective organizations (beginning on page 9). For organizations already pursuing OD goals, this paper offers illustrations of the OD components, brief case examples of some approaches to organizational development work (pages 32-40), and lessons learned from their experiences (pages 41-46). The majority of the voices represented in this document are those of executive directors of organizations. It is important that this perspective be shared but also broadened to include other critical perspectives on organizational development, including those of board members and constituents of organizations engaged in this work.

### **What is organizational development?**

The definitions of organizational development offered by representatives of organizations that have participated in the MRBF OD Program vary in some ways, but they coalesce around one theme: organizational development is the process through which an organization develops the internal capacity to be the most effective it can be in its mission work and sustain itself over the long term. Several "core components" (see page 10) are viewed as central to organizational effectiveness.

This definition highlights the explicit connection between organizational development work and the achievement of organizational mission. This connection is the rationale for doing OD work.

## **Why Pursue OD? The Connection between Organizational Development and the Achievement of Mission**

Nonprofit organizations that work directly with communities or support community-based organizations are driven by people with a commitment to mission, whether it be housing, community development, the well-being of children and families, or a host of other important purposes. If organizational development work is to be valued by these people and organizations, it will be because it connects directly to their passions, particularly the achievement of their missions to make a positive difference in their communities. Organizations that have participated in the Mary Reynolds Babcock Foundation's (MRBF) OD Program have become convinced, or further convinced, of the direct connection between a commitment to ongoing organizational development work and achievement of the purpose for which they were established. They have experienced this connection on a variety of levels.

### **Organizational survival**

On the most fundamental level, many of those engaged in organizational development work link it to the survival of their organization. The message they send is, at its most basic, "unless we get our act together, we won't be around to do any work." Henrietta Zalkind, executive director of the Down East Partnership for Children stated it this way: "I knew too many people who did really good mission work and yet didn't take care of OD who went down the tubes. I was bound and determined not to have that happen again."

Others express the fundamental importance of organizational development work via its role in helping organizations weather transition and change. Speaking of the merger process through which the North Carolina Justice and Community Development Center (the Justice Center) was created, Greg Malhoit, its executive director, noted: "The Babcock OD grant provided the focus and resources needed to guide the two groups through a systematic process that transformed potential ruin for two groups into the creation of a new and dynamic model nonprofit that is being touted as the 'new paradigm' for anti-poverty advocacy at the state level."

The core message of these and other nonprofit leaders is this: concerned and committed people form organizations to achieve missions; therefore, if the organization is the main vehicle for achieving mission, then a top priority must be the development and nurturing of that organization and all of the processes, systems, and people that it comprises. According to Liz Natter, executive director of the Democracy Resource Center, "You have to have in place a strong organization to develop and pursue your mission."

### **"Being the best we can be"**

Many organizational leaders believe that organizational development work provides them with a way of improving the quality of the work that they do and, as a consequence, building their credibility and accountability in the eyes of their constituents and supporters. Organizational development work is viewed as a means of achieving outcomes and of setting and meeting standards in their mission work, of "being the best that we can be."

According to Wendy Johnson, executive director of the Southern Regional Council, “OD is program. It involves looking at program work comprehensively to figure out if what we’re doing is the best we can do. This always leads to other conversations about how to be sharper, smarter and more impactful in the work . . . . You are growing the capacity of the organization to do the best it can do at any time in a way that is so demonstrably and clearly yours, there’s no question about who you are and what you are doing. OD is all about accountability.”

Debra Tyler Horton of the Justice Center describes the link between OD work and organizational success by looking at how their OD activities changed the Justice Center: “There’s been a change in the staff’s mentality about how they do their work. When I came, people were project driven and had a stand-offish attitude about bringing people together. They didn’t see the need to become one organization. The OD work brought us together and created change in the staff’s and board’s thinking. It helped us to function and do the work we needed to do. It’s the basis, the groundwork; the only way to be successful is to build this foundation.”

### **Raising more resources for the mission work**

Sometimes the payoff of organizational development work is viewed as very basic and straightforward. If you strengthen your capacity to raise funds for the work and thereby have more resources, then you are able to increase your level of program work and your impact. If you develop more effective evaluation and communications systems and are able to build your reputation and visibility, then you most likely will raise more money to do program work. If you collaborate with other organizations in a real way and develop ways of working together on common goals, then you gain access to and legitimacy with their set of supporters and may increase your sources of support as well. The monetary payoff of OD work is often very clear.

According to Dr. Arthur Carter, executive director of the Virginia Eastern Shore Economic Empowerment and Housing Corporation (VESEEHC), “We see a direct OD/mission connection in our fundraising work because we have raised more money to increase services to the community. The MRBF grant has given us time to tell our story in different ways and to integrate program planning with financial planning. MRBF supported the time we spent on foundation work and broad-scale proposals. Organizational development directly feeds broad-scale program development.”

### **“Walking our talk”**

For some leaders of community based organizations, organizational development work is the vehicle for overcoming the “disconnect” between the values that are the foundation of their mission work and their internal policies and practices. Often due to the crisis nature of the work or the focus on changing the “world out there,” organizations fail to take the time to think through how to “walk their talk” on an organizational level. For many, organizational development work enables them to make that commitment to reflect *internally* what they are seeking to build *externally*.

Liz Natter of the Democracy Resource Center explains, “Since we help people participate in government so that their life experience counts, we have to work hard so our own organization embodies those same values; that is, life experience and values count. A big part of working on

organizational development, culture and anti-racism is recognizing different kinds of knowledge and valuing what is learned untraditionally. This affects how we hire, do our work, our relations in the office, etc.”

Another example of efforts to bring internal policies and practices into alignment with external work and values is Down East Partnership for Children’s effort to create a “family friendly” work environment for staff, board and constituents. (See p. 23.) As an organization which works on behalf of children and families, DEPC strives to support the families and children who make its work happen.

### **Developing staff and board members so they can improve program results**

People are the most vital resource of any organization. The work to “walk the talk” involves a commitment to value and respect people who work with and for the organization as intelligent and capable human beings. This kind of environment allows people to work at their best, not only because they feel valued, but also because conditions exist for continual learning and improvement. As a result, program work can be developed to its fullest potential, and full energy can be put towards the achievement of mission. As noted by Henrietta Zalkind of Down East Partnership for Children, “People need to consistently build their expertise to do the work in a way that moves the whole [program] agenda forward. Otherwise, they get stuck in a ‘rut,’ and that holds all the program work back.”

Without this working commitment to people, an organization will eventually self-destruct. “The program stuff goes if people are not safe and able to be productive,” says Ms. Zalkind.

Board and staff members are motivated to tackle the hard work of OD only when they are convinced of the connection between achievement of mission and organizational development. They must understand the “why” of organizational development. They are guided in their OD work by a vision of an effective and well-functioning organization that can better achieve its mission.

## **A Vision of Organizational Health: Components of an Effective Organization**

*“Our sense is that organizational development is somewhat shaggier, less systematic, and more situation-specific than the way we think about it in workshops and learning clusters.... In reality and practice, it’s not as neat as we present it; it’s different from organization to organization.... It’s a dynamic, not a static thing.” (Art Carter, Virginia Eastern Shore Economic Empowerment and Housing Corporation)*

Effective and healthy organizations adapt and thrive in the midst of a rapidly changing political and economic environment. We believe that organizations comprise a diverse set of components that determines their effectiveness and sustainability over time. At the heart of an organization is a vision and core set of values. That vision and those values help shape the organization’s mission, which, in turn, informs its program strategies and other components. An organization’s effectiveness depends on a shared understanding of, and commitment to, the vision, values and mission.

In effective organizations, the vision, values and mission derive from the convictions of people in the organization and inform all other components of organizational development. When one or more of the core components listed below is out of alignment with the vision, values and mission of the organization, the organization is unable to function effectively for the long term. Conversely, when the core components are in alignment with the vision, values and mission, they are more likely to be in alignment with one another and lead to effective work and a sustainable organization.

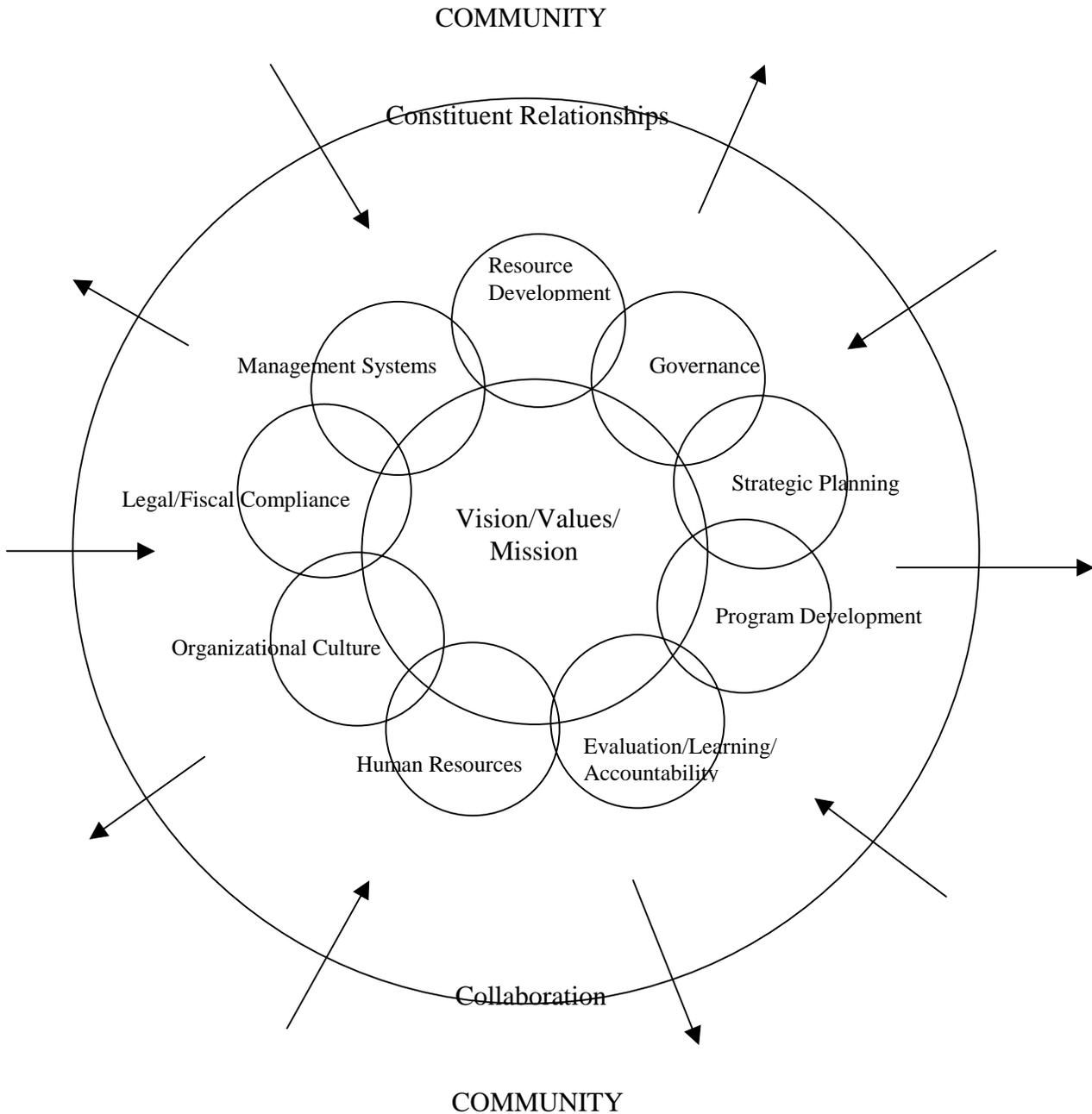
The core components of effective organizations include the following:

- Vision, Values and Mission
- Governance
- Strategic Thinking and Planning
- Program Development and Implementation
- Evaluation, Learning and Accountability
- Human Resource Management
- Organizational Culture
- Management Systems and Structures
- Legal Compliance, Fiscal Management and Public Accountability
- Resource Development
- Constituent Relationships
- Collaboration

Participants in the Babcock Foundation’s Organizational Development Program have used several analogies to explore the interrelationships of the core components of effective organizations. One such analogy is an ecosystem, with interdependent relationships among plants and animals. Another helpful analogy is to think of an effective organization as a healthy human body, with the vision, values and mission as the “heart.” The other core components are the

body's other organs, each dependent on the heart and all interdependent on one another. All of the body's organs (the organization's core components) must be healthy and working together.

The following diagram attempts to capture the interrelationships of the core components and their alignment with the vision, values and mission, which is the core of the organization. The organization's relationship with its constituents and its collaboration with other community groups form the "line" between the organization and its community. This line is permeable, reflecting the impact of the organization on the community and vice versa.



## Descriptions of the Core Components

### **Vision, Values and Mission**

An organization's values and vision express the essential commitments of people in the organization and form the foundation for the organization. Its *values* are the core beliefs that shape the vision and guide the organization's day-to-day actions. The *vision* describes an organization's preferred future, the future its board, staff and constituents want to help create. An organization's *mission*, the role it will play in creating the preferred future, flows from its vision and values. The mission should reflect a realistic but farsighted determination of who the organization is, who it serves, what it does, and what it can accomplish.

In strong organizations, vision, values and mission are shared, understood and embraced by the board, staff, and members or constituents. They are the touchstone for every organizational decision. They are reflected in policies, procedures and practices. Creating and continually assessing and reaffirming its vision, values and mission may be the most important organizational development work an organization can undertake.

### ***Illustrations:***

#### North Carolina Justice and Community Development Center

One example of work on **vision, values and mission** comes from the North Carolina Justice and Community Development Center (the Justice Center). In July 1996, the Justice Center was created through a merger of two organizations—the North Carolina Client and Community Development Center and the Legal Services Resource Center. According to Executive Director Greg Malhoit, “The most significant organizational development accomplishment [in the last three years] for the Justice Center has been facilitating this merger. Central to that process was work done by board and staff to develop the new vision, mission and goals of the organization.”

The OD work at the Justice Center occurred in the context of significant change for the legal services community. Support for the original purpose of legal services work was being wiped away due to federal restrictions. Greg Malhoit explains: “We came together as a single organization partly due to our shared values historically. We felt that the legal service community, which had been founded on an abiding value to address the root causes of poverty, was losing its soul because of government. It had systematically changed over twenty years. We felt we were the ‘keepers of the flame’ so to speak.

“We made one strategic decision, which was to build a new organization and re-establish all the core values and things that had been chipped away. We did this by looking at the origins of the legal services movement—the values, mission, etc. The staff and board believed that the agenda of fighting poverty and building economic security was what they were about.

“It was hard to get some people to support all this because many had moved away from it. But we did a time line and history of services, and our entire staff and board held a retreat and several days of meetings. In the end, the process has ‘centered’ the Justice Center around a set of core

values which are resulting in collaborative work reaping real results for poor and working poor people.”

### Virginia Eastern Shore Economic Empowerment and Housing Corporation

At the Virginia Eastern Shore Economic Empowerment and Housing Corporation (VESEEHC), the work to develop and agree on organizational values, or principles, has been primary. Dr. Arthur Carter, executive director of VESEEHC, explains: “For us, values, or principles, flow from the mission, which flows from the vision. Our board and staff have developed principles that we stand for (for example, nonviolence, trust, accountability, gender/racial/class equity, excellence, punctuality, transparency) . . . [and that] we use as a gauge for board membership and with hiring. We tell people this is what this organization stands for, and we ask, ‘Can you abide by them? Because if not, we can help you look for work elsewhere.’

“We find it important to visualize issues—to name what matters to us—such as empowerment of low-income people, better education, social justice, job training, universal and affordable healthcare, youth development, shelter for homeless women and children. We have 23 issues laid out. Our programs are how we respond to our vision, mission, principles and issues. We measure all we do by these items.

“It took us one year to develop all this, and it’s a living thing.”

### **Governance**

How an organization makes decisions is a critical issue in its effectiveness. A strong board and governance structure can help an organization weather critical program, staffing and funding crises. On the other hand, many organizations with weak, ineffective boards fail to remain effective over the long run, regardless of how strong their programs, how healthy their funding base, or how skilled their staffs. The relationships among board and staff members contribute to or undermine an organization’s effectiveness. The most effective organizations build and nurture trusting relationships among their board, staff and constituents as the foundation for making and acting upon good decisions. Responsible governance by the board and effective day-to-day management by the staff are equally important to organizational effectiveness.

The structures and policies for decision making should reflect the values of the organization. An organization’s governance sets the tone for the organizational culture and expresses the organization’s understanding of power relationships. OD work related to governance includes clarifying board roles and responsibilities, negotiating relationships between board and staff, understanding and addressing racism and other oppression, developing governance systems and structures (by-laws, committees, etc.), developing skills of individual board members, and planning for board and leadership development.

### ***Illustrations:***

#### Building Community

Formed in response to North Carolina’s Smart Start initiative for early childhood intervention, Building Community’s board of directors was composed primarily of the heads of agencies and

leaders in county government. In 1997, Building Community spun off the original board to run “Smart Start” and reorganized to form a board of leaders with broad geographic, economic and racial representation.

The decision to develop a “board of leaders” instead of the more traditional board of directors was deliberate and reflected the organization’s values and vision for its work. The citizen leaders who were the central force behind Building Community’s work realized that in order to carry out their mission of developing new leaders in the community, they needed to train and support a new group of leaders who were not part of the “regular chosen few” who participated in community efforts. They also wanted the organization to represent the interests and vision of all parts of the county, geographically and racially. They have worked hard to make their board of leaders reflect the county they serve.

Building Community carries out its work through a participatory process of identifying the primary needs and interests of the 58,000 people who live in Rutherford County, NC. Through outreach and dialogue, the organization has built relationships with a broad base of people who have a stake in the work that they do. It is from these ranks that a Planning and Development Team recruited work groups to carry out Building Community’s activities and at-large board members.

Danielle Withrow, a volunteer consultant with Building Community, believes the governance structure of the organization “breaks the paradigm of most nonprofits” in a number of ways: 1) by taking the name “board of leaders” vs. board of directors; 2) by developing a leadership team within that board vs. naming individual officers; 3) by organizing members into work groups structured around the organization’s core interest areas vs. establishing the more traditional committee structure; and, finally, 4) by contracting for services vs. hiring an executive director and other staff in order to maintain its all-volunteer structure and keep the power in the hands of the citizen leaders who are its core.

In the last year, as a result of a thorough assessment of the strengths and weaknesses of its at large board of leaders, Building Community reduced the number of board members to fifteen and assigned each to a specific area of work. They decided to name a president and three vice presidents (for administration, community participation and programs) who, with the past president, comprise the leadership team. Ms. Withrow describes this structure as another break with tradition. She notes, “Instead of simply standing in for the president in her absence, the vice presidents are each charged with a particular area of work [for which the president might normally be responsible].” The goal of the restructuring is to make Building Community’s board of leaders a working board in every sense of the word. “Now,” says Ms. Withrow, “the only way to get on the board is to take on an interest area. Each person is there for a particular reason and they are ready and willing to collaborate.”

### Southern Regional Council

Wendy Johnson, executive director of the Southern Regional Council (SRC) has worked to move the SRC board “beyond the technical issues [to] think about the external and internal politics and what makes SRC unique among the community of nonprofits focusing on [our] issues.” She

organized four, two-day retreats per year so the board could spend significant time with the staff. According to Ms. Johnson, “This was not at all the culture of the organization, which was oriented toward the board only relating to the executive director.”

In addition to the quarterly retreats, each board meeting includes two substantive presentations on program areas, allowing staff to outline information about each program, present potential policy questions that have arisen, and seek advice about issues they are facing. Initially, the board created a Program Committee as the main vehicle for this contact with staff. Eventually, members felt that program reports needed to be heard by the full board. As a result, the whole board in essence serves as the Program Committee.

According to Ms. Johnson, “It’s important for staff to ‘eyeball’ the board members four times per year around their work. It not only promotes bonding between board and staff, but also helps board members be better ‘ambassadors’ for the organization because they are more aware of what is happening with the program work. In addition, this kind of contact helps program people to plug in board members as resources for certain areas of program work, based upon their skills and experience. It really has been a cultural shift for the board to realize that it needs more than passing contact with program.

“This awareness has also been key to our process of making the board a more ‘fundraising sensitive’ entity. Knowledge of the program content and an understanding of why we are doing what we are doing helps board members to ‘get their heads around’ resource development because they can see it as connected to the real work of the organization.”

#### Southern Rural Development Initiative

The Southern Rural Development Initiative (SRDI) used their Babcock OD grant to develop a peer board training initiative to help strengthen the boards of their member organizations in the South. According to SRDI, “Boards are the backbone of community based organizations. Strong boards ensure adherence to the mission and vision of the organization and financial and legal accountability. They translate the pulse of the community into the agenda of the organization. Strong boards are the long-term conscience and memory of the organization. Staff are often transitory, but board members, embedded in their communities, remain.

“The traditional model of board development involves bringing in a consultant for several hours of ‘board training’ and/or for a half-day or day-long board retreat. Often progress is made, but more often, the real challenges are not addressed, the power relationships remain unaltered, the hard questions continue unanswered.”

In order to help address the widespread need for board development among community organizations working in the South, SRDI developed and implemented a program that trained board members of community organizations as peer trainers on the roles and responsibilities of board members. These peer trainers have fanned out to train boards in organizations similar to theirs. The training model uses “a tightly packaged set of concepts and materials, a highly participatory training process, the injunction to share knowledge, and a regional approach to training.”

“We discovered a real thirst for learning,” explains Debby Warren, executive director of SRDI. “People really flowered. They worked in teams. They were offered ‘digestible’ knowledge . . . . Peer training gave people enormous confidence that they know something and they can take responsibility for their own learning.”

SRDI’s board training work has emphasized that in order to be effective, board members need: “1) information on what their roles are, and perhaps a little scare about the financial liability involved; 2) confidence that they as board members can make a difference, and some tools to do so; and 3) understanding that they have the responsibility to hire and support the executive director.”

By holding regional trainings, participants have had the opportunity to meet and learn with people from the boards of other organization. Away from home, participants speak and learn more freely and gain important experience in putting new wisdom and skills into practice. SRDI plans to support peer trainers to conduct additional training in their own states, including intensive on-site sessions.

Ms. Warren cites four lessons from the peer board training experience:

- how hungry board people are for substantive board training;
- how quickly people learn the basics;
- that peers can do it better than so-called ‘experts’; and
- the importance of mixing on-site work with meeting peers with whom you have no turf issues.

Through its peer training work, SRDI is working to create a network of peer trainers who will provide the foundation necessary for long-term change across the region. “We envision a region-wide infrastructure of peer trainers focused on building strong boards of nonprofit community based organizations, targeting the poorest communities in the rural South. Translated to the local level, this means that high-quality and accessible training and technical assistance are available to grassroots members of boards throughout the region. Essential to this vision is the broad acceptance of the notion of ‘core competencies’ for non profit, community board members. We envision a culture where board members, staff and funders across the region agree that competent boards are as important as competent staff to actualize the missions of community-based organizations.”

### **Strategic Thinking and Planning**

A strategic plan is a road map for an organization’s work. Too many nonprofit organizations operate without a map, thereby compromising their impact. They stay in a crisis mode, responding to emergencies and deadlines, doing more but not necessarily doing better. Or they operate from annual plan to annual plan, without stopping periodically to set the longer-term, strategic context for their work. Board and staff members lack clear priorities and focus on too many goals, leading to confusion within and outside the organization. Funding opportunities

dictate program strategies, rather than vice versa, and programs stray from the organization's core mission.

Effective organizations periodically take stock of their strengths and weaknesses and the environment in which they work in order to set clear goals, objectives, strategies and tactics. Strategic thinking and planning are integral to the way the organization works day-in and day-out. The strategic plan is a living document that informs annual and monthly work plans and forms the basis for periodic evaluations of staff, board and programs. Daily decisions, from program implementation to fundraising priorities, must be consistent with the strategic plan. Even so, the strategic plan is flexible enough to respond to new realities. The organization recognizes the importance of adapting to change, internally and externally, to keep its work effective.

### ***Illustrations:***

#### Southern Regional Council

In 1996, Southern Regional Council (SRC) conducted an 'environmental scan' with its various stakeholders, including membership and funders, to give context to its strategic planning. The environmental scan looked both inside and outside the organization. Under the leadership of Executive Director Wendy Johnson, SRC also conducted a "comprehensive assessment process", which included gathering feedback from members of the board, staff and constituency of the organization. "I went to staff," explains Ms. Johnson, "to talk about their hopes and fears regarding my leadership and what they would want to keep and what they would want to change (systems, policies, programs, etc.). This gave me one-on-one engagement and sent the message to people that their role and opinions were valuable to the organization."

As part of the assessment process, board members, many of whom had served the organization for two decades, were asked to re-trace the history of the organization. "It was important for us to acknowledge the legacy of the organization in this process," notes Ms. Johnson. At the same time, the board was engaged in thinking about what had changed in the external political environment that had "blunted the edge" of SRC's program work. "The board was able to acknowledge the shift and loss of SRC's edge and point to the reasons for that change, yet at the same time they could see the aspects of our work that were still singular to us and important to work against racism and inequality. They helped us identify the 'core competencies' of SRC and what needed to change in order to enable SRC to make full use of these assets.

"Findings from that study have helped shape SRC's new agenda... and were important in the development of the strategic plan. There was great affirmation for the organization's traditional mission but clear calls for a shift in methodology. The external feedback suggesting SRC should have a more public and forceful presence was important in establishing a high priority for investing in the expansion of the communications program. The internally expressed desire to again root work in relationship to local communities helped lead to the creation of the program, Partnerships for Interracial Unity."

Reflecting on the first year of implementation of the strategic plan in 1998, Ms. Johnson said the plan “has made programs sharper and has given us a re-affirmation that what we were created to do is important. As a result, we have sharpened current programs, added new ones and dismantled some. Morale is high and the staff is engaged.”

#### Down East Partnership for Children

Henrietta Zalkind, executive director of Down East Partnership for Children, shared her experience of strategic thinking and planning in the following way: “We started out with a vision of where we wanted to go; a vision of how to do better for kids and their families. The planning process helped us think about who we want to be three to five years from now. We came up with four long-term programmatic goals, and everything had to fit under them. We are developing benchmarks to show progress towards these goals. We want a five-year workplan for years 2000-2005 that integrates program and organizational development [efforts] . . . . Now we all have work plans with short-term objectives, and all of our evaluation work is based on outcomes and links to DEPC’s long term goals. Then we work strategically to build people’s capacity to meet those goals.”

#### **Program Development and Implementation**

A thoughtful strategic plan sets the direction for an organization, but the process of developing and implementing programs is equally critical to organizational effectiveness. A sound idea can fail if the organization does not pay careful attention to identifying desired outcomes, developing appropriate activities, and giving staff and volunteers the appropriate skills to do the work. Likewise, an effective program will not remain effective if the organization does not monitor its results and adapt the program to new information and lessons learned from evaluation.

Program planning and development is the responsibility of staff, but it should involve constituents to whom the program—and the organization—is accountable. Participants have a stake in the outcomes and are the best gauge of the program’s effectiveness. Board members may be important resources for guidance and support. In an effective organization, program development, evaluation, and strategic planning are interconnected for continuous learning.

#### ***Illustrations:***

##### Prichard Committee for Academic Excellence

As part of a strategic planning process in early 1996, staff and members of the Prichard Committee for Academic Excellence renewed their commitment to focus on parents as a core constituency and made it a major goal to build parental involvement in the education process in the schools. The education reform law in Kentucky calls for parent participation in school-based councils, but the Prichard Committee knew that parents lacked the information and skills necessary to have an impact on educational policy and practice. The Committee made the decision to create a new program which would offer parents in-depth leadership training and development, with the goal of forming a network of informed parents able to influence educational reform in the state. This program was launched as the Commonwealth Institute for Parent Leadership (CIPL) in 1997.

The concept of the parent leadership institute emerged from the Prichard Committee's ongoing contact and dialogue with parents in their existing programs. According to Bev Raimondo, the director of community support at the Prichard Committee, "Parents were hungry for information and the skills needed to have an impact." The Prichard Committee gathered information from its staff and conducted focus groups with parents in every part of the state in order to shape the design and content of its leadership program.

Though initially the Prichard Committee planned to hire an outside consultant to develop the curriculum for the institute, they instead hired additional staff to handle other aspects of the program's design and implementation in order to free up existing staff to develop the curriculum. They involved key staff and representatives from partner organizations such as the National Center for Family Literacy and the Appalachian Educational Alliance to develop academic expectations and key "demonstrators" for program participants.

The small group working initially on design of the institute was broadened to include the entire community support staff of twelve. "It was crucial to include the staff. It had to be 'theirs.' They needed to have ownership. So we involved them in lots of meetings to discuss and debate the details . . . . As a result, they are committed to doing whatever they need to do to work together. It may get difficult at times, but they come back because they feel part of something really big."

The implementation of CIPL has had a significant impact on the Prichard Committee as an organization. Five part-time regional coordinators have increased to full-time hours, and two more regional coordinators have been added. According to Ms. Raimondo, "The dynamics of managing full-time vs. part-time people are huge. We needed a project coordinator and administrative support person to keep up. In terms of the impact on the larger staff, the work load has definitely more than doubled within a short time, and the stress of that new work is higher because of the need for frequent, definite deadlines for the work." In addition, the organization has had to train its staff in many new areas, with a focus on training those who are working with parents as trainers and mentors for the first time.

Evaluation of CIPL has occurred through various methods. Ms. Raimondo notes: "The University of Kentucky's Institute on School Reform attended sessions and did follow-up interviews with parents to collect feedback. Prichard Committee staff solicited information from participants at the end of each session and worked to create an environment in which parents could speak up regarding their likes and dislikes. At the end of each session, we conducted a two day debriefing with all of the staff to review all of the pieces of the institute in detail and make adaptations. Lastly, two days per month I meet with staff in order to re-work the design of the workshops."

As the largest project ever undertaken by the Prichard Committee, CIPL has "changed the nature of the staff" notes Bev Raimondo. "As a result of implementing CIPL, we have been forced to communicate with each other in more and better ways. We have to be more deliberate about being in touch with one another because there are more of us. In terms of the substance of our work, previously we were more policy oriented, now we are more program oriented. We have a greater focus on what it takes to get parents involved in their children's education. We are

helping to provide more parents' voices in this work, and as a result, we have a more ready constituency of people to call on when we need to respond to legislative issues. So the pay off in terms of our other work is also high."

Ms. Raimondo offers this closing piece of advice on what it takes to develop and implement a strong, effective program: "It takes an incredible amount of planning, talking to people and hearing lots of ideas. However, at some point, you need someone who says 'This is what we are going to do.' You need someone who will be single minded in making it happen."

### Democracy Resource Center

The main focus of Democracy Resource Center's (DRC's) program is anti-racism work, both internally and externally. According to Executive Director Liz Natter, this means that "DRC is making a conscious effort to be anti-racist and multi-racial in all our program opportunities."

DRC's commitment to anti-racism has affected the development and implementation of its program work in many ways. Program work is now linked to undoing institutional racism. DRC has worked to get local governments to recognize Martin Luther King Day and has advocated and organized for fair distribution of government services in communities of color. All DRC publications take into account how racism affects a particular issue, from understanding and changing a county budget to the effects of institutional racism on the distribution of government resources. "For everything we do," says Ms. Natter,, "we try to make the connection to how racism manifests itself in that area and advise how to work against it."

A key aspect of DRC's program shift has been the process that staff have gone through in order to understand racism and its impact. Ms. Natter explains: "We developed a shared analysis on racism within the organization through workshops, which led to the recognition of the centrality of racism as a barrier to social change. White identity is often a key barrier to progressive policies. Racism is used to block collaboration and support for the work."

DRC's program development grew out of its commitment to anti-racism and the collaboration with other organizations that flowed from that commitment. The route to developing a clear mission and the programs that forwarded that mission was participation, mutual respect and inclusion.

### **Evaluation, Learning and Accountability**

Effective organizations are accountable to their constituents, including members, program participants, funders, even their own board and staff members. They are active in evaluating their work and learning from success and failure. They understand that evaluation is not something done to them, but done by them to improve their effectiveness, to remain accountable to the people they serve, and to share what they have learned with colleagues in other organizations. The ultimate evaluation of any program is its effectiveness toward reaching the organization's mission.

Effective organizations document their work, report and communicate in timely and appropriate ways, and aspire to be transparent to their internal and external publics. These capacities do not

reside within outside consultants or particular staff members but pervade the organization. Being a learning organization means having the systems in place to evaluate and learn and having an organizational culture that is open to learning and change.

### ***Illustrations:***

#### Southern Regional Council

When Wendy Johnson became executive director of the Southern Regional Council, the board was clear that it had lost a competitive edge as *the* organization addressing racial justice. According to Ms. Johnson, “For 30 to 40 years, SRC was out front, taking on issues. But, times had changed. . . the country’s mindset around race was shifting. . . the board wanted to re-position the organization to offer its unique contribution to the South and the nation, with people aware of what it could bring to the table.”

As a result of an environmental scan and strategic planning process, it became clear that SRC was not sure about the impact its work was having. “We only have anecdotal information. We have been trying to figure out who knows about our good work and how to know when strategies are useful in the program areas.” Through participation in the Babcock-supported “Evaluation Cluster,” SRC has worked with a few peer organizations to learn how to integrate evaluation into their ongoing work and use what they learn to shape their program development.

“We have been trying to figure out how, if we are selling our program to funders or if we were ‘called to judgment,’ we would prove our case. We want to be sharper and know where our impact is. Now we are clear on the role that evaluation should play. If you are going to make strides, you have to see evaluation as integral to all that you do, not just at the end of something. It’s been a learning process for the organization. It has given us new vistas of thought about how to approach the work and its impact.

“We involved the staff in a half-day meeting to look at all the work—to look at goals, accomplishments, and gaps with a process of reflection on all of these findings . . . . We have already gone to our constituency and asked for feedback on the program.”

The evaluation process enabled SRC to affirm its purpose and impact on its core constituents. It has given the organization a new perspective on how to approach the work and how to understand its impact. “Through the evaluation process, we were able to see our work [as] an integrated, comprehensive approach to get at inequality, poverty and racism.”

At present, SRC staff continue to work to “develop the infrastructure around evaluation,” says Ms. Johnson. In order to make evaluation a part of the ongoing culture of the organization, staff are working to identify expected “initial, intermediate and long term” outcomes of their work, so that progress towards identified goals can be more clearly identified and understood. “Once these outcomes are clear, then we can all agree that all of our programs should be driving towards those outcomes,” notes Ms. Johnson. SRC has organized a team of project directors whose job is to monitor this process.

Ms. Johnson finds it a big job to keep evaluation processes moving at all levels of the organization. “We are still trying to implement all that we have been learning about evaluation. At times, it seems difficult to keep track of it all. But one thing I do know is that in 1995 there was limited commitment to program planning and evaluation within the organization whereas now, in 1999, we have created an internal unit which is systematically focusing on how to measure the impact of our programs. We are trying to understand how the organization needs to change and grow if we are going to have the impact we want to have.”

### Warren Family Institute

In 1996, as the Warren Family Institute was making a transition from a demonstration project of county government to a free-standing nonprofit organization, the organization also decided to broaden its program focus to integrate family development and community economic development program strategies. As a result of speaking with many experienced practitioners in both of these fields, staff and board discovered that their attempts to integrate the two were fairly unique. According to Executive Director Cathy Alston-Kearney, “most organizations are one or the other, but our board and our constituency agreed that the most effective approach for our work was to integrate our family support work with community economic development work and be some kind of hybrid of the two.”

Because of the uniqueness of their emerging program model and their belief in the importance of the “hybrid” they were developing, staff and board at WFI decided to conduct a formative evaluation process to document the process and the model. “One of our goals is to document the development of the community economic development/family support program model. This model of community-based service delivery is on the cutting edge of practice and is not well documented . . . . Our consultant is designing a formative evaluation strategy based on grounded theory which will use actual staff practices to describe the evolution and essential components of the CED/FD model.”

In addition to these formative evaluation efforts, WFI staff and board also wanted to create a process which would help them understand better the impact of their program work on their constituency. Cathy Alston-Kearney explains: “We want a system in place so that we know how our work is having impact beyond the participants. We want to be able to measure family change and organizational change in a way that is valid, which includes but moves beyond the anecdotal.”

“Now,” according to Ms. Alston-Kearney, “we assess the impact of our work on our family services constituency by collecting evaluation surveys and event summaries, by following up on referral forms, by conducting periodic home visits and follow-up, through family consultations, and by maintaining case files for those with more intense involvement. [All of these data are] periodically reviewed in our bi-weekly staff meetings, and we usually have debriefing sessions around events. In our youth initiatives, the high school students submit weekly journal entries and daily activity logs. Pre- and post-academic achievement data are collected on student participants in our middle school after-school programs. We also produce or collect minutes of interagency collaboration efforts. [The foundation for] our assessment efforts is direct involvement of family members in planning and decision-making around program development.”

WFI is also working at a board level to assess ongoing progress towards and alignment of program work with the organization's strategic plan. "We assess progress toward accomplishing our mission when our board and staff review programmatic issues as needed in regular board meetings. As a result of our participation in the OD program, we have initiated semi-annual retreats to assess alignment of program activities with our mission and strategic plan goals . . . . The board and staff quickly grasped the difference in the definition of an outcome and indicator while developing the strategic plan, and we were able to develop ways of measuring what we do more expediently than expected."

### **Human Resource Management**

People are often the most valuable resource a nonprofit organization has. How they are developed and managed is critical to their productivity and to the organization's success. Each employee, board member or volunteer brings skills, experiences and core values to their work. Organizations often place people in positions that require skills they do not have, and provide little opportunity for them to get the training and mentoring they need to develop the required skills. Effective organizations, on the other hand, develop staffs, boards and volunteers that embrace and support the organization's values, vision and mission. They provide individuals with avenues of service and opportunities for personal development that match their skills and interests. They offer training, mentoring and professional development support.

Nonprofit managers, often untrained in human resource management, need basic training in such skills as developing board members and hiring and managing employees. Organizations may lack basic elements of sound personnel policies: job descriptions, competitive salary and benefits structures, staff development plans and budgets, and annual performance evaluations. Tight budgets and ambitious missions leave many nonprofits with policies and an organizational culture that accepts low salaries and long hours. Effective and sustainable organizations actively support the notion that people must take care of themselves and not be exhausted by the work.

### ***Illustrations:***

#### Down East Partnership for Children

"You get low turnover by creating good working conditions," says Henrietta Zalkind, executive director of the Down East Partnership for Children (DEPC). At DEPC, the commitment to provide good working conditions includes a series of practices and activities that comprise a "broad and deep professional development program for board and staff including skills building, retreats, coaching and mentoring training, computer and Internet training, and individualized staff training plans as a part of annual reviews." Ms. Zalkind emphasizes the importance of building a "culture of always looking at how to get better . . . . We want a culture that says it's okay not to know stuff, to learn what you need to learn and where to learn it; a culture where it's okay, for example, to say, 'Wow, I need to learn better communication skills.' We see staff development as a means through which we can create 'an organizational culture of self-correction.' "

The annual budget at DEPC includes \$1,000 per person for staff development. In addition, the organization creates space for group learning. According to Ms. Zalkind, "We identify things as a

group that we want to learn and bring people in.... There's always a running list of things, group and individualized.”

At semi-annual staff meetings and retreats, the staff creates work plans for professional development and organizational capacity building in addition to the more typical workplans for programs and administration. These gatherings offer an opportunity, according to Ms. Zalkind, “to take people away, to slow the pace of the organization and set priorities so people have the time to do the work in a quality way.”

Mountain Association for Community Economic Development and Democracy Resource Center  
Mountain Association for Community Economic Development (MACED) and Democracy Resource Center (DRC) consistently emphasize the importance of creating a work environment that supports people and allows them to realize their full potential in their work. Carol Lamm, former director of program development at MACED, explains the importance of creating a culture of continuous improvement. “We want to raise the expectation that whatever you're responsible for, you're also responsible for improving it. People are generally inclined that way (towards improving things), but another part of them wants things to be settled . . . . We try to work to get it into people's frame of mind that if something's broken, then fix it. The rule is to make the system better. You will be evaluated on the basis of this approach.”

To give staff the support they need to improve, MACED changed expectations about the availability of training. “Previously people thought training was only for program staff, not administrative staff. We have turned it around, and now people expect that they will get the training they need.”

Liz Natter, executive director of DRC, speaks of the impact of a commitment to continuous improvement on her own growth as a manager: “Organizational development has really helped with human resource management. Before the MRBF Program, I took criticism about management personally. OD work helped me to see management as malleable, changeable and centered on figuring out the direction we can move in. Our weekly staff meetings feel more supportive now. I've experienced a shift—I recognize the importance of the organization responding to the needs of the people who work here, and I am trying to get away from the notion of manager as enforcer. This involves giving people leadership over what they are working on; for example, we rotate the facilitation of staff meetings. When people raise a problem, we problem-solve vs. insisting on blame.”

### **Organizational Culture**

Organizational culture includes written and unwritten rules that shape and reflect the way an organization operates. In short, it is how people do the work of the organization. It is the environment in which decisions are made and conflicts are resolved. The management structure, tone of publications, appearance of space—even the way in which phones are answered—are expressions of the organization's culture. In effective organizations, the physical and spiritual expressions of organizational culture are in alignment with the organization's core values.

Because organizational culture is so ingrained in every facet of an organization, it is often hard to recognize it and understand its impact. An organization might “fix” a manifestation of the culture (with a new organizational chart or shorter office hours), only to have problems recur within weeks or months. To change organizational culture, board and staff members must recognize the current culture, analyze the consistency between the organization’s values and its culture, then take steps to change the culture.

### *Illustrations:*

#### Down East Partnership for Children

Ms. Zalkind speaks about the importance of creating what she calls a “family friendly” environment in an organization whose mission is promoting the well-being of children and families. “We pay for people’s childcare when they need to work outside the time they normally have their children cared for. People bring their kids to our activities all the time. We have a system of hour-for-hour compensation and flex time, so people don’t resent having to work hard outside of the regular nine-to-five day. It’s our way of saying we don’t want to live in a crazy way.” These practices reflect an organizational culture that values and respects family life.

As one means of creating an environment of mutual support among staff, Ms. Zalkind has instituted activities designed to help staff members understand and value diversity. For example, every two weeks DEPC staff meetings begin with a period of personal updates, in part “as a way to understand conflicts better, especially between people of different race, culture, etc. [This] helps by letting people know what’s going on in the background that might be affecting people’s behavior.”

#### Democracy Resource Center

Since its establishment in 1996, the Democracy Resource Center (DRC) has made anti-racism work a main focus of its activities. The work to commit the organization to anti-racism externally and internally has involved shaping an organizational culture—and the practices that flow from that culture—which is anti-racist. “We realized early on the mistakes we made by not having an analysis of racism or being prepared to deal with it when it came up with groups we were working with,” says Ms. Natter. “We have really focused on it now. We developed a shared analysis within the organization (among board, staff and core leaders in communities) on racism through workshops which led to the recognition of the centrality of racism as a barrier to social change.”

According to Ms. Natter, this internal analysis has had an impact on the way in which DRC’s work gets done. “Since we help people participate in government so that their life experience counts, we have to work hard so our own organization embodies those same values, i.e., life experience and values count. A big part of working on organizational development, culture and anti-racism is recognizing different kinds of knowledge and valuing what is learned untraditionally. This affects how we hire, do our work, our relations in the office, etc.”

## **Management Systems and Structures**

If organizational culture is the informal, invisible way the organization works, the management systems and structures are the formal and visible ways the organization does its work. Organizations develop systems and structures for governance, human resources, information management and technology, communications, finance, training and development, planning and evaluation, and much more. In effective organizations, these systems and structures are aligned with the organization's vision, values and mission. They are reviewed and adapted regularly so that they stay responsive to the current needs of the organization. Policies and procedures are documented in writing for board, staff and volunteers, as appropriate. Even more important, they are understood by the people most affected by them.

As part of organizational development, organizations may analyze and adapt existing systems, develop new systems or structures, or document what is already in place. Any of this work must be done in the context of the organization's core values, vision and mission.

### ***Illustrations:***

#### **Warren Family Institute**

In 1996-1997, the Warren Family Institute (WFI) made an organizational transition from a county government demonstration project to a free-standing nonprofit organization. WFI's program work was strong, but they needed to create from "scratch" basic management systems handled previously by county government.

The top priority among many was setting up financial management systems. Ms. Alston-Kearney explains: "We had to do everything from choosing an accountant and [software] to developing the capacity to run payroll and file tax and audit documents appropriately." WFI hired a CPA firm to help think through what they needed in place and to develop the "nitty gritty" of a financial management system.

Another essential area of work for WFI was staff training and development. As Ms. Alston-Kearney notes: "No one had run a nonprofit before, no one had bookkeeping experience, etc. We had to spend lots of time training people on a range of administrative capacities . . . . We also identified areas where training is not an appropriate response. This caused us to initiate the essential, though sometimes painful, process of examining how well current staff capabilities align with those skills that are required by the work we are attempting. We had to face the fact that some functions (e.g., bookkeeping) are better contracted out given the limitations faced by our small staff."

With the help of outside consultants, WFI worked to build its management capacity. According to Ms. Alston-Kearney, "It was key for us to build capacity at the program coordinator level to see and own the vision for their program areas and understand how it fits into the broader strategic plan. We had to build skills in planning and managing at this level so that, as executive director, I could move onto the next step in other areas, such as financial systems and developing performance evaluation systems. Also, [I needed time] to keep the pulse of the community and notice where the emerging opportunities are. This is not possible unless I know the program coordinator staff is 'holding the line' . . . ."

WFI invested substantial time and resources in staff development and planning. It took several false starts until the operational planning that was necessary took hold. Ms. Alston-Kearney explains: “We finally took a calendar approach in which we stated the program areas we work in, listed the steps necessary to satisfy each program’s requirements over one year, then backed up and named all of the things that had to happen in order to get there. This process ‘got a light bulb turned on in everybody’s head’ and made everyone say what they had to do on a particular day to reach our annual goals. Now we have to build in an analysis of the process and outcomes we are achieving along the way in order to link all of this to the ‘big picture’ of our work.”

WFI has experienced a significant shift in its program work as a result of this work on management systems. Ms. Alston-Kearney notes: “Initially all of our programs were operating separately; they were all doing their own thing. Yet, one of the basic premises of our work is that WFI works with the whole family. This is one of the values that emerged in our strategic planning. We needed to model that commitment internally and influence collaborators and external systems to do the same, i.e., see the family as a whole unit. But we were moving toward fragmented services.

“The [planning] helped us get a handle on how to integrate our work so that families could really be involved with more than one program. This led to greater program effectiveness across the board. We created an organization-wide contact network which put together all of the families we touched in our program work and grouped them. In this way, any point in the organization could be seen as an entry point. This took the weight off of each individual program, which had been trying to develop its own discrete, distinct constituency. We now say that the *organization* has a constituency and all programs should be accessible to them. This shift has opened up a whole new world for us.” WFI transformed its system for managing interaction with families from one that undercut its mission and strategic plans to one that reinforces what it is trying to accomplish.

#### Mountain Association for Community Economic Development

As a result of tremendous expansion and development, Mountain Association for Community Economic Development (MACED) had outgrown its internal and external communications systems and procedures. For the first 20 years of their existence, MACED had kept a very low profile. As a result, very few people knew who they were or what they did.

In the last three years, MACED has made great progress in building the organization’s communications capacity, adding a communications director and two other staff. According to Carol Lamm, former director of program development, “Having people who ‘think marketing’ is so different, so illuminating. Our publications have changed so much. We have all the materials, technology and staff to communicate with people in written and verbal forms. This gives us the capacity to write/say our message, the capacity to truly reach people.

“Our mini-poster about coal resources is an example of this. This piece has been part of our efforts to tell the people of Letcher County, ‘Here’s what’s going on with coal and the choices around it.’ Previously, people used to need an intermediary to explain our materials to them.

Now, they can pick up our piece and understand it; it grabs them. Now any person can pick it up and have access. It really reaches people. This is a key connection to organizational effectiveness.”

As a growing organization, MACED encountered ongoing difficulties with internal communications among a large staff working in several buildings and with outlying staff in other towns. To improve communications, they installed a local area network (LAN); established a system for using e-mail to publish internal daily news and to communicate regularly; and set up an intranet system for staff to share ideas, learnings, and experiences.

Don Harker, executive director of MACED, describes the impact of improved communications capacity: “We now have what I call ‘dense connectivity’ i.e., interacting and informing each other in an easy way. We have four field offices which head local action teams, so isolation is an issue. The Internet and technology provided a way to overcome this and work in [our] own community.

“We always give computers to citizens that we are working with. Technology is an investment; many people don’t see it. We have the GIS system and can produce maps that are a resource in our work in communities. We have the capital to do research and communication. In short, we have really built [internal and external] communications capacity and, as a result, we are more visible with our community, with funders, and with local and national policy makers too.”

### **Legal Compliance, Fiscal Management and Public Accountability**

As 501(c)(3) organizations recognized by the IRS, all nonprofits have certain fiscal and legal requirements. Boards of directors are ultimately responsible for legal compliance; they must understand federal, state and local requirements and exercise appropriate oversight of staff to ensure compliance. Systems must be in place to offer early warning signals about legal or fiscal problems. Effective organizations have boards that understand and take seriously their legal and fiscal responsibilities. The staffs and boards operate with clear checks and balances.

Less clear but equally important is an organization’s obligation to the “unenforceable” laws of ethics. Effective organizations are accountable to ethical standards that may not be legally enforceable, but are consistent with the organization’s values. They operate within policies for conflicts of interest, report to funders with openness and honesty, are good stewards of resources, and take seriously their accountability to the public. Most states have nonprofit support organizations that have information about legal, fiscal and ethical standards for nonprofits. Effective organizations must ensure that boards and staffs develop and use such standards.

### ***Illustrations:***

### Down East Partnership for Children

In its report to MRBF in August 1997, Down East Partnership for Children (DEPC) claimed that its “greatest organizational capacity building has been in the development of financial systems, human and technical.” This process included hiring a budget and planning director to free the executive director from day-to-day financial administration and to assist the program directors in learning to plan and oversee pieces of the budget. To keep up with rapid growth in their budget and programs, DEPC added a controller and reorganized its finance staff.

On the technological side, DEPC upgraded its financial management system and trained staff to use the new system. In addition, DEPC began “monthly budget meetings with the finance staff, program directors, and treasurer to review current spending trends, identify income ‘gaps’ and discuss fundraising prospects.” Finally, DEPC planned to revise its audit and accounting guide and begin formal group training in fundraising and financial management.

Achieving sound, effective fiscal management systems is a crucial part of holding yourself accountable to the public, according to Henrietta Zalkind, executive director. “When the public understands that your fiscal and legal systems are transparent and the nature of your business operations is completely clear, a level of trust develops that affects fundraising and ‘buy-in’ dramatically. People feel confident that their money is being put to good use programmatically. They know where the money goes and how it is managed. That really helps fundraising efforts.”

### Virginia Eastern Shore Economic Empowerment and Housing Corporation

By the end of its second year of OD work, the Virginia Eastern Shore Economic Empowerment and Housing Corporation (VESEEHC) had developed a financial and accounting procedures manual, trained the board in financial oversight, and researched and implemented a fund accounting system. According to their report to MRBF, “The board has very significantly increased its knowledge of budgeting, interpreting and understanding complex financial statements, and guiding the use of money. They have also increased their knowledge of loan making and the governance of lending programs. Each month the board reads and acts upon a voluminous package of materials . . . They have made real strides toward getting to the heart of the issues that require their guidance, approval, or re-direction. A real and continuous challenge in this small community where everyone knows everyone is for the board to avoid inappropriate involvement in staff decisions and for staff to refrain from involving individual board members to gain leverage with staff management.”

The processes of building the capacity of the board and clarifying the appropriate role for board and staff are linked to VESEEHC’s emphasis on what Executive Director Arthur Carter refers to as “public accountability.” Dr. Carter explains: “We have accountability on various levels: First, we have members of our constituency on [program] committees. Second, at the board level, we ask that low-income communities send people to join committees and from the committees people recommend folks to the board. If they show interest in the work, we beg them to come to the board. Third, we [have annual] membership meetings . . . [to] approve/disapprove what we are doing. For funders, we audit programs and finances. And finally, at the level of individual accountability, [we consistently refer to our] vision, mission, and principles. These give us concrete things to measure and points of reference.”

Dr. Carter emphasizes the link between personal accountability and personal development: “All this learning, this development, has to be centered around personal, individual development. We as individuals commit to learning and personal development, e.g., the secretary commits to being better every day. Leadership means having a culture that expects that learning of each other, and I personally have to lead us there and be an example. I make a personal commitment. The board must assume that too. OD and organizational learning is an impossibility otherwise.”

### **Resource Development**

Organizations that have all the other core components in place cannot be successful without resources to do the work. Effective organizations have clear plans for resource development and the human capacity to implement those plans. Too many organizations depend on a few foundation grants or the fundraising skills of a single staff person or board member to support their work from year to year. Sustainable resource development requires clear program and financial objectives, a long-range plan and an annual plan for fundraising, active and trained board members, skilled staff, and effective systems for record-keeping, communication, evaluation and reporting.

Effective organizations have the components listed above, and their resource development plans match their mission and program work. For instance, a community organizing group may combine an issue campaign with its annual membership drive or hold a special event to raise money and awareness. The healthiest and most sustainable fundraising plans include a broad array of strategies that include membership income, individual gifts, major gifts, special events, earned income, institutional support, corporate and foundation grants, and planned giving. While an endowment is not a panacea, it may be an effective strategy for well-established organizations with strong track records for annual fundraising.

### ***Illustration:***

#### North Carolina Justice and Community Development Center

According to North Carolina Justice and Community Development Center’s final report to MRBF, “The OD process surrounding the creation of a fundraising and development plan was difficult to conceive and implement . . . . In the end, the Center recognized the need to have staff capacity (vs. just consultants) to lead its development efforts. Once we made this OD decision, fundraising proved to be successful.”

The Justice Center hired Debra Tyler Horton as associate director, with responsibility for developing the fundraising work of the organization. Ms. Tyler Horton describes the Justice Center’s process as one illustration of how a resource development plan can be created: “We organized a Development Committee of the board and myself, which I chair. We have put together a development plan. In order to do this, we took the time to look at the whole organization and what it had to offer – what the Justice Center does and what it offers to the community. First we had to put together the right materials to share with others (a brochure, a fundraising letter). We developed a fundraising packet saying, ‘Here’s what we look like and who we are.’ It was a long process of talking to people and then narrowing it down.”

The Justice Center’s ultimate goal was resource development, but their first step toward this goal was building a clearer sense of their work through a participatory and inclusive process. Ms. Tyler Horton explains: “We were developing a strategy, a plan, and a timetable for getting things done. We involved the staff in the process too. We did roundtable sessions with people who did not know the Center, in order to run it by groups and get feedback on the wording used. We sent materials to organizations in order to get a sense of how we were perceived by other organizations. We tested pieces of the plan – special events, selling publications, etc. – feeling our way.

“We learned that people weren’t supporting us because they were not aware of us – the key was becoming visible. Once we accomplished this step, we got lots of support. It’s important to get outside the boundaries of the people the board normally deals with (in this case, lawyers) and open new doors concerning who we work with and who we serve. This process changed our thoughts regarding who we serve, who we are and how we relate to our constituency.”

### **Constituent Relationships**

This component permeates all other core components in effective organizations. An organization’s constituents are at the heart of its work, serve on the board, are involved in strategic planning, participate in programs and evaluation, and are its most important “public.” Effective organizations are serious about their accountability to their constituents. They are responsive to changing realities in their communities and seek to change that reality as well. The graphic image of core components (page 11) shows a permeable line between the organization and the community it serves, reflecting the impact of the organization on the community and vice versa.

In some organizations, paying attention to constituent relationships means developing formal systems and structures. In others, it means monitoring those systems to ensure that they are effectively keeping the organization connected and accountable to the community. In effective organizations, close relationships with constituents are woven into the fabric of the organization, providing day-to-day and long-term accountability.

### ***Illustration:***

#### The Community Foundation Serving Coastal South Carolina

During his tenure as executive director of the NEW Fund of the Community Foundation Serving Coastal South Carolina, Bernie Mazyck identified three constituencies—what he calls “a primary, secondary and a tertiary constituency.” According to Mr. Mazyck, “Our primary constituency is the neighborhood groups we are working for and with. This ties in with our values which say that we are not ‘serving’ our neighborhood constituents, but rather, they are our ‘customers’ or our ‘boss’.” The secondary constituency is the Community Foundation as a mainstream institution—its board, staff and donors. The third constituency is the broader community—other institutions, city government, the legislature, etc. As a project of the Community Foundation, the NEW Fund is governed by an advisory board of neighborhood residents (primary constituency) and the community foundation board (secondary constituency).

With the assistance of the Babcock Foundation, the NEW Fund worked “to educate the second and third constituencies of the NEW Fund about the value of the primary constituency. [We sought to] create a “table” to which they could come to value each other and move toward true problem solving,” according to Mr. Mazyck. “We learned that it was twice as hard to bring the secondary and tertiary constituencies to the table as it was to work with the primary constituency. That was because we had invested a lot in developing the relationship with our primary constituency.”

When asked to describe the NEW Fund’s relationship with its primary constituents, Mr. Mazyck depicted it as “a relationship of true mutual respect and admiration. Neighborhood constituents are our bosses. Social change and empowerment mean nothing unless the constituency you are talking about reaches another level of capacity, and that only happens if they are in control and able to exercise authority to actualize their vision.”

Mazyck also links strong relationships with an organization’s constituency to the development of an effective board. “The key in board development is that there is a sense of ownership of a particular program or the organization itself,” he says. “[That] comes from engaging the board with the primary constituency. At the NEW Fund, we did this in a number of ways: First, we did site visits in neighborhoods with [community foundation] board members, and they became advocates for the groups they saw. Second, after grants were made, board members served as liaisons to different neighborhood groups. This gave them a sense of connection to neighborhoods. As a result, board members did things on their own for groups. Third, [we brought the board and primary constituency together] in the ways we celebrated, such as when announcing grants. It’s about building relationships with people . . . . Finally, [it’s important that] some representatives from the primary constituency play a critical role in the governance of the organization.”

### **Collaboration**

Another aspect of an organization’s relationship with its community is the way it collaborates with other organizations. No single organization can effect lasting change in a community. Organizations must collaborate—by planning together, sharing resources, and using complementary strategies—to amplify their work. Organizations that do not collaborate risk working at the margins and limiting their impact. A collaborative network of organizations—working locally, statewide, regionally or nationally—increases its chances to affect public policy, influence public opinion, and make lasting change.

Collaboration takes time. People and organizations have a hard time working across differences in race, class, issues, strategies, and ideology. These differences can obscure the common cause that brings organizations together in the first place. If organizations are effective at building understanding and collaboration, the prospects brighten for a broad-based and sustainable movement for change.

### ***Illustrations:***

### Environmental Community Action, Inc.

Carol Williams, executive director of Environmental Community Action, Inc. (ECO-Action), believes that the most powerful illustration of her organization's collaboration is its role in the development of the Grassroots Environmental Network. The Network is a statewide coalition of 30 community-based organizations dedicated to promoting sound environmental policies and practices; forming a base of support for communities and organizing initiatives in the state of Georgia; and sharing information, resources and strategies towards these ends. ECO-Action received the "Special Merit" Award (1992) and Certificate of Environmental Achievement for three consecutive years (1995, 1996, 1997) from the National Awards Council for Environmental Sustainability for work in facilitating the Network.

According to Ms. Williams, "The goal of the Network was to make it community based. ECO-Action was the facilitator, not a player, and we didn't allow statewide or national organizations to join, so that it could remain community based. Later, we asked larger groups to be resource groups to the Network. Community-based organizations are the decision-makers, ECO-Action the facilitator, and larger statewide and national affiliate organizations offer resources to facilitate the goals. Over time this may change as larger organizations learn what issues are important to the community-based groups. The goal is to get them closer organizationally in order to serve the community. ECO-Action 'polices' to make sure that community-based organizations get their way and large organizations respect it."

A key part of ECO-Action's role, according to Ms. Williams, is to facilitate dialogue and foster relationships within the Network. "Collaboration is different from coalition-building in an issue campaign. It's a long-term process. You have to do what you say you're going to do. It's a long-term, relationship-building process. Accountability is key."

In addition, Ms. Williams explains, "Understanding the politics and culture of organizations is essential to making [collaboration] work. You have to deal with how race, class, and gender impact the work; for example, who speaks and who's heard. It's key to teach more mainstream organizations that someone else can lead. They don't often want to deal with building relationships and understanding with community-based organizations if they perceive it will take time and energy away from their own agendas. It takes a long time to help different people work together."

ECO-Action believes that collaboration is related to organizational effectiveness because it creates more openness and a possibility of movement and change. Ms. Williams notes, "It's the kind of change that is a stepping stone. Our mission is to help people to work on their own behalf and address issues that affect them. They have to have the skills and resources to do it. Collaboration is the way to go. It's powerful, but it can't be phony. Everybody has to participate. And you have to deliver if you sign on."

### Democracy Resource Center

According to Liz Natter, executive director of the Democracy Resource Center (DRC), the organization's four program areas—undoing racism, environmental justice, achieving economic justice, and building citizen power—have grown out of collaboration. "We had to broaden our

mission in order to have African Americans involved. Collaboration helped jump start this work. We met with predominantly African American organizations and said: 'Here are our skills and resources. What could we do to help forward your mission, and how can we help each other?' Our environmental justice work grew out of that process." She notes that DRC's economic justice program grew out of the same kind of collaboration with Kentuckians for the Commonwealth and the Community Farm Alliance.

DRC's collaborative work strengthens fundraising, according to Ms. Natter. "We have found that the time spent in reaching out to other social change organizations and deepening our relationships with those we have already worked with pays off in terms of increasing our programmatic impact, and we hope that will help us with foundation and non-foundation fundraising." As an example, Ms. Natter explains, "In large part, we have more strength in technical assistance vs. organizing. We help de-mystify the technical aspects of issues identified by the members of organizing groups so those members can more easily affect policy. Groups we were collaborating with helped open the door to their funders, so collaboration has been essential to resource development for DRC. We wouldn't exist without collaboration."

### **Conclusion**

These core components of effective organizations offer a framework for understanding the goals of organizational development work. Specific skills, such as leadership skills, group process skills, communication skills and problem-solving skills, are essential in order for these components to be developed and maintained. The process through which each organization approaches OD work must be developed in relation to several factors, including its age and stage of development, the current conditions under which it is operating externally and internally, and the history and identity of the organization. Taken together, these components present a vision for organizational health that can help guide and direct organizational development efforts.

## **Case Examples of Approaches to Organizational Development Work**

### Virginia Eastern Shore Economic Empowerment and Housing Corporation - Dr. Arthur Carter, Executive Director

“Organizational development is the acquisition and management of the capacity and resources to fully develop an organization’s board and staff to its maximum potential with excellence,” explains Dr. Arthur Carter, executive director of the Virginia Eastern Shore Economic Empowerment and Housing Corporation (VESEEHC). In order to engage in OD, an organization needs four things, according to Dr. Carter: 1) the internal capacity for organizational development work; 2) the ability to manage that capacity; 3) the resources, financial and technical, to support that capacity; and 4) processes, policies, etc. through which the OD work gets done.

After three years of focused work on organizational development, including work to integrate OD into their ongoing activities for the long term, the organization has achieved many of its goals. In VESEEHC’s Final Report to the Mary Reynolds Babcock Foundation (MRBF) in November 1998, Dr. Carter notes: “The OD work conducted over the past three years has brought VESEEHC to a much higher level of organizational maturity. We changed executive directors and acquired a development director, a controller, an early childhood education coordinator, and a transitional program coordinator. We bought and installed very sophisticated accounting hardware and software. We developed program designs and policy guidelines for all programs and administrative functions. We conducted a detailed analysis of program outcomes and set up a system for tracking and reporting accomplishments. We broadened our funding base and increased support from national foundations. Our most significant remaining problem is to institutionalize our financial support so that we are able to maintain all the program work we have initiated.”

### **The context for organizational development work at VESEEHC**

In January 1995, VESEEHC emerged from the union of the Northampton Housing Trust and the Northampton Economic Empowerment Corporation. During 1994, the two agencies had convened a series of meetings with the low income communities from Northampton and Accomack counties in preparation for submission of a proposal to the US Department of Agriculture to be identified as 1 of 33 Empowerment Zone and Enterprise Community (EC/EZ) grantees. In December 1994, VESEEHC was awarded 2.9 million dollars over 10 years. The EC/EZ grant presented sizable challenges to the newly-merged organization whose parent organizations had operated with 5 staff on combined annual revenues of approximately \$185,000. The 1995 organizational development grant from the Mary Reynolds Babcock Foundation presented VESEEHC with the chance to “create space and time to think about the organization and its needs.”

“Before Babcock,” according to Dr. Carter, “we didn’t have a clue about the relevance or importance of organizational development, in spite of the fact that we had a very educated and experienced board. We saw the MRBF money simply as a funding resource to pay for program.” The process of learning about and doing OD at VESEEHC began with the organization’s

involvement with and participation in the MRBF OD Program. “It was at the first OD Gathering where I fully understood the importance and necessity of OD, got a glimpse of OD, and understood that we weren’t savvy about OD. The Gathering gave us the basics and the basics alone were so compelling.”

At the time of VESEEHC’s first application to Babcock’s OD Program, the organization was going through what Dr. Carter calls “a dangerous transition” involving several staff and board changes. The chair of the board was becoming the executive director, the executive director was taking on the role of development director and a new board chair was being brought on. It was a “time fraught with potential catastrophes. We needed an orderly transition in which the process was key. We wanted to address as many issues as we could during this period.”

According to Dr. Carter, “The Babcock training at the Gathering on Board/staff functions was very timely for us.” In addition to the support and resources received from MRBF, VESEEHC tackled its organizational development work with the assistance of consultants from the Center for Community Change (CCC) in Washington, D.C. CCC provides technical assistance to community-based organizations at no charge. In exchange for this assistance, CCC asks that staff and leaders of an organization receiving support take that work seriously, participate fully in the process and share what is learned with other grassroots organizations in the area.

CCC established a process at VESEEHC of “working through the issues with all the parties affected by those issues,” according to Dr. Carter. They conducted board retreats and talked with all staff people for their perspectives on the work at hand.

### **The foundation for organizational development work at VESEEHC**

According to Dr. Carter, at a very initial phase in VESEEHC’s organizational development work, a consultant “took the Board and staff through their own separate retreats [in order to help us] set out a framework for our OD work. We spent a lot of time on vision, mission and principles and elevated them as key. We worked to get buy-in on them as the foundation for our OD work. Then we moved to issues [for the organization’s program work] which were based on our principles, mission, etc. The consultant challenged us to fill in this framework he presented.” (See page 13 for more information on VESEEHC’s work on principles and values.)

### **Strategic thinking and planning**

VESEEHC worked with a consultant, as well as others from the University of Tennessee, to create a strategic thinking and planning process for the organization. As a result of these efforts, VESEEHC has designed a “strategic learning paradigm” which lays out its own framework for doing organizational development work and spells out how vision, mission, principles, issues and programs flow from one another and form the foundation for OD work. Dr. Carter says that this paradigm is “the meat” of VESEEHC’s organizational development because it defines what the organization stands for and describes the process which makes them a “learning” organization.

The core of that learning process at VESEEHC is what they call “strategic analysis.” According to Dr. Carter, “the single most important OD accomplishment has been our strategic analysis work. Not only did we complete an analysis of each program’s outcomes, we also trained every

staff member in analytic reasoning methods in the process.” Through this work, VESEEHC staff and Board learned to take the essence of strategic planning and use it in their ongoing work as needed.

Dr. Carter describes the process of organizational development as a journey. He believes that vision, mission and values are central to that journey. He notes: “Sometimes we get off the path, but we know where the path is and hopefully, if we never lose the groundedness—which is our vision, values, and mission (and programs, as the translation of that)—as long as we are true to that, we know we are safe on the journey. It will always be close under foot.”

### **Board commitment to OD work**

One big challenge which VESEEHC faced in its organizational development work was getting the board to engage in these activities. “They thought they knew all they needed to know,” says Art Carter. “So, we brought on an additional consultant to take the board through a strategic planning and training process which helped them see the importance of OD from another perspective.” At the same time, the staff didn’t fully understand the process of organizational development. “It takes time to get ‘buy-in,’ ”explains Dr. Carter. “People needed to hear from [not just the executive director] but outside consultants about the importance of the work. Initially we did not use the term ‘organizational development’ with the staff. We talked about the organization from the staff perspective and spoke of what it means to function at maximum potential.”

Hearing about organizational issues over time, engaging in the work of OD, and learning from a variety of sources about the importance of the work helped people at VESEEHC to begin to believe in organizational development. “You must have someone on the staff and board level that is truly committed to the necessity of excellence in OD and who keeps bringing it back.” The MRBF Gathering and the work with consultants were key factors in the development of this leadership at VESEEHC.

Once the board of directors at VESEEHC realized the importance of organizational development, they took important steps to make the work a priority. OD work is a regular part of the monthly agenda for the board. In an effort to raise organizational development work to the level of importance of program work, the board has created a committee dedicated to OD issues and work (just as it has committees dedicated to community organizing, housing and other program issues). This committee determines how VESEEHC approaches and handles organizational development work. As with VESEEHC’s other board committees, key officers of other community-based organizations in the region participate in committee meetings in order to learn from each other and give and receive input on policies related to OD. In this way, VESEEHC works to build constituency input into the formulation of its policies and make itself as transparent and accountable as possible.

According to Dr. Carter, it “took a couple of years to get [to this point in our OD work] and a couple more to define a way to sustain the work. Although we started attempting to implement things right away (such as the list of ‘functions of board and staff members’ which was distributed at the first MRBF OD Gathering), it took a long time to win ‘buy-in’ by the whole

board about the importance of OD work. The board tolerated OD work, but didn't understand it until recently." The commitment to OD varies somewhat with the membership of the board, according to Dr. Carter. "It's a continual re-education process as you bring on new board members," he notes.

### **Working with outside consultants**

VESEEHC has used outside consultants as key resources to its organizational development process. These individuals have facilitated key learning in the organization and have helped develop VESEEHC's capacity to conduct its OD work. However, according to Dr. Carter, it was initially difficult for VESEEHC to find consultants who could "engender the trust and confidence with the board and staff that we needed. We have used three to four consultants and that's about two to three too many," he notes. It can take a while before it's clear that a particular consultant is not working, that he/she "doesn't understand our issues, our culture, our questions," according to Dr. Carter.

Now VESEEHC only seeks the assistance of an outside consultant if they know they don't have the capacity to handle the work internally. "If we are faced with an issue we can't get our 'arms around,' then we look for help. However, if we are confronting an issue and we can 'wrestle' it into the form that we need and move forward with it in an effective manner, if we are happy with the results and have the capacity to keep up with it, then we know we don't need a consultant."

### **Other learning methods**

As part of its commitment to OD work, VESEEHC emphasizes the importance of ongoing training for board and staff and has a line item in its budget to make that training possible. Offering staff the opportunity to attend trainings is particularly important in the rural area in which VESEEHC works because, says Dr. Carter, "the venue for training locally is not there." Dr. Carter also encourages ongoing learning about OD by sharing readings about organizational development from other organizations and sources with staff leaders and encouraging them to do the same.

VESEEHC works to share information about and encourage OD in the region in which it works. VESEEHC runs a foundation and gives grants to organizations in the region for their work. Following on the lessons learned from the Babcock OD Program, VESEEHC requires that one quarter of each of these grants be spent on organizational development work. VESEEHC then serves as a resource to these organizations on the *what* and *how* of good OD work.

Through its work with organizations it supports with grants, dialogue at regular monthly board meetings (in which other organizations and community representatives participate), and the work of its board OD committee (which involves the officers of all of the community-based organizations in the region), VESEEHC is engaged in an ongoing process of teaching and learning about organizational development. According to Dr. Carter, in order to teach organizational development, "you have to learn and understand it better because you have to respond to the challenges people bring. What we teach engenders questions for us and others and, as a result, it teaches us more."

### **The role of the organizational leader**

As an organizational leader, Dr. Carter views his role as a facilitator of, and catalyst for, organizational development work at an organizational as well as a regional level. He brings materials and learnings from conferences and gatherings, such as the annual OD Gathering hosted by MRBF, and shares them with others. He reminds the board of the importance of putting OD on the board agenda on a level with program. He manages the process of selecting consultants until the organization finds someone who meets their needs. He is developing an internal process with the staff which accomplishes evaluation and strategic thinking and “hammers” at it until people are familiar with it. He is involved with peer learning clusters such as the executive director learning cluster organized through MRBF and involves other staff as well. He becomes part of efforts to share with organizations in the region as well as around the country the lessons of OD, such as one currently being organized with MRBF’s support, as a catalyst for making things happen on a regional basis. In all of these ways, Dr. Carter works to encourage deeper understanding of OD, implement its lessons, and broaden the reach of that work in the region.

### Democracy Resource Center - Liz Natter, Executive Director

#### **The context for organizational development work at DRC**

According to Liz Natter, executive director of the Democracy Resource Center (DRC), “Organizational development is the work of building the organization so that it will be anti-racist, strategic and effective. Part of making it be those things is assuring that the work of the organization is consistent with its values.” Since 1994, when the Democracy Resource Center still existed as the Kentucky Local Governance Project (a project of the Mountain Association for Community Economic Development) the founding staff and supporters of DRC have been working to make it an anti-racist organization forwarding an anti-racist agenda.

This work, which became a primary goal for DRC, led to its decision to become an independent organization with its own board and a separate, clearly defined mission. With the assistance of the Mary Reynolds Babcock Foundation (MRBF), DRC staff and board members have used the process of organizational development to establish themselves as an organization and to implement their work against racism.

#### **Beginning the work of organizational development**

DRC began its anti-racism work by building relationships with organizations representing and led by people of color. The staff believed that it was only through this relationship building that the organization could create a shared vision with communities of color and shape its mission and organizational work in relation to that vision. Staff also worked to educate itself and others about racism and build a common analysis of the workings of racism. According to Liz Natter, some of those efforts were successful, and others “fell flat.” The staff knew they needed more resources to do the work right, but they also felt the need to “jump in” and do what they could along the way. They participated in various workshops focused on anti-racism, such as those offered through the Peace Development Fund, and worked with a consultant to establish a one-year plan for their work.

According to Ms. Natter, support from the Babcock Foundation for their organizational development work was the real “starting point” for DRC. “We really didn’t call anything OD until we saw that application . . . First we started our anti-racism work and then we formed an organization,” she notes. As a new organization, DRC found it easier to take on organizational development work than perhaps already established organizations might. “The OD stuff was easier in some ways because we were starting with a clean slate. From our perspective, the outside resources were critical because we didn’t have the experience internally to take this work on,” explains Ms. Natter.

It was difficult for DRC staff to determine which OD issues it should tackle first. “We established anti-racism work and fundraising as the two things we had to work on right away. We wanted to get started on strategic planning, but we had to do board development, although we did not call it that at the time. We needed to get people on the board who were invested in the work of the organization, and the board needed the time necessary to develop familiarity with and ownership of the work . . . It’s kind of a chicken and egg thing because it is too much for a small organization to do it all at once—for example, to try and do board development and strategic planning at the same time.

“It’s time consuming, hard work, and you can feel like it is taking away from the program work. For that reason, we took on pieces of organizational development work that clearly moved the program work along...the things that made our program work effective and built the organization and our board leadership.”

### **Building a board of directors to support organizational development work**

Describing the beginnings of DRC’s organizational development work, Ms. Natter states: “We wanted to be our own organization. We wanted to put together a multi-racial board of directors so that we could really share power.” DRC staff had been working all along to build relationships with organizations of color. As a result of those relationships, DRC had representatives from several of those organizations on the board. This representation helped strengthen those collaborations and build trust and accountability to the constituencies represented by “organizations of color.”

“But,” explains Liz Natter, “you can’t just pull people in and have them take power. It takes time . . . At the beginning it was still mostly the staff deciding priorities. Once we formed the board and ran decisions by the board, it took a while until board members had enough experience with the organization to really jump in . . . but we now have become more board driven.” It takes a lot of time and training to build a working board and there are big challenges along the way, according to Ms. Natter: “You can’t overload people. You have people who work and have kids and have to travel to get to board meetings. You can’t do too much at once.”

DRC staff benefited greatly from board members’ participation in the MRBF OD Gatherings. “It gave staff and board members insights into the pieces of OD that we hadn’t yet taken on . . . [OD] is almost like an academic discipline. It has a language and jargon that are not always clear until you have a conversation about it.”

The development of DRC's board was viewed as a primary way through which to forward the organization's OD work. Since DRC committed itself to anti-racism both internally as well as in its external work, an initial step was to create a diverse board. The board is now half people of color and half women. In addition, DRC put people from the African American community organizations with which it was collaborating on its board in order to create accountability.

DRC laid the groundwork for this representation through collaborative relationships with communities of color and their organizations.

### **Work on organizational culture**

The work to commit the organization to anti-racism externally and internally also involved shaping an organizational culture and the practices that flow from that culture. "We realized early on the mistakes we made regarding not having an analysis of racism or being prepared to deal with it when it came up with groups we were working with," says Ms. Natter. "We have really focused on it now. We developed a shared analysis within the organization (among board, staff and core leaders in communities) through workshops which led to the recognition of the centrality of racism as a barrier to social change . . . . Racism is used to block collaboration and support for social change work."

In order to be true to its values, DRC has had to learn how racism can play out in its day to day work. According to Ms. Natter, "Internally, this commitment involves things like sorting out the racism in the dominant culture and its impact when we evaluate and assign work."

The work that the Democracy Resource Center has done to implement its anti-racist values has helped lay the groundwork for much of its fundraising. By involving other organizations in the development of its strategic plan, DRC has clarified the most effective role it can play in order to forward shared goals. As a result of that clarification and the relationships formed through collaborative work, DRC has been able to make contact with funders who support the work of their partners and clarify the contribution DRC makes to that work. In addition, DRC has been able to count on the support of many organizations for its fundraising efforts.

### **Working with outside consultants**

The Democracy Resource Center has utilized the talents of a number of outside consultants in order to accomplish its organizational development work. As part of its commitment to anti-racism, DRC has primarily hired people of color who have experience doing anti-racism work to facilitate DRC's OD process. It has been critical that consultants who work with DRC know that dynamics and difficulties of anti-racism work and can help DRC forward that agenda as part of its OD activities.

According to Liz Natter, using consultants who were outside of the organization gave DRC access to their "talent, experience and stories of how other organizations solved problems similar to the ones we were facing." Ms. Natter claims that consultants "helped get people excited [about OD work] and opened their eyes to the possibilities. Board committee members read materials about options for how to take on anti-racism work and considered different people that might be

able to do that work, but it was so different once we had them there. It energized people and got them excited about the workshop.”

One challenge that DRC has encountered working with consultants is the difficulty of finding a consultant who is available to work with the organization continuously over a longer period of time. Few of their long-term OD processes have been facilitated start to finish by the same consultant. While the lack of continuity has posed some challenges, Ms. Natter says consultants have been able to “pick up and honor the work done previously. This is a testament to the quality of the people we have found.”

Ms. Natter states that DRC “would never have gone down the road of consultants without MRBF support. The work with consultants is expensive and time intensive . . . . There is a tension about resources because you want to put the money into program work and the cost of working with consultants is so high.” Although Ms. Natter knows people in other organizations who have doubts about the use of consultants, she notes: “For us, it was different. We needed that help.”

### **Facing challenges in the work**

According to Liz Natter, “As our board members have taught me, you get to deep stuff when you do anti-racism and anti-oppression work, and you have to let that come out. You can’t expect it to be easy. You are trying to do things differently than they have been done for over 200 years in this country.” Even after the board, staff and constituency had worked together to develop a shared analysis of racism, Ms. Natter notes that they faced difficult times. Ms. Natter believes it is critical to know that “even when you have done the work and you have a shared sense of good will, you will face hard times. If that catches you off balance, then it will be tough. You can make all the plans in the world, but you have to be flexible, ready to change, to do what you have to do to get there.”

### **The role of the organizational leader**

The role of the organizational leader in OD should be that of “a facilitator who encourages organizational development and encourages staff and board to take leadership roles in OD and push the organization to change where it needs to.” According to Ms. Natter, it was her role at the beginning of DRC’s OD work to find information about OD and bring it to the board; for example, about which consultants to use and which strategies for the work to follow. “Once the work was successful,” she notes, “I spread that [responsibility] out more so others were doing that work too. Now board members are doing it and staff have become more involved.”

It is important to remember as the organizational leader, says Ms. Natter, that “as soon as you get OD work done, you’re re-doing it. You are always adding, re-plowing the same field every year. Some of that is because new people come into the organization, and you have to work to share the analysis and learn from what they bring to the organization. And some of it is because the process is not linear. I thought OD would involve a series of steps, and we would move from ‘A’ to ‘B’ to ‘C’, etc. But it’s not like that. We were at ‘A’ and moved to ‘B’, now we’re at ‘E’ and we have to go back to ‘C.’ ”

“We have certain things that are solid now, like our vision; mission; and values and our strategic plan, but we will be re-visiting all of that and making sure it is still current and doesn’t need new things incorporated. Some things we wanted to accomplish in our first year are completed, and we have a structure in place for them. But others aren’t yet finished. You have to be open-minded and flexible about this work. You must be willing to have people push the organization, but not let people push the organization off its course.”

From a management perspective, Ms. Natter believes that OD has added to her understanding of what it takes to be an effective leader: “It can be difficult to let others take on responsibility and leadership,” says Ms. Natter, “and particularly difficult to keep an appropriate balance between staff empowerment on the one hand and accountability on the other. It can be hard to let go of doing it yourself, especially when you’ve been doing it for years and can do it with less preparation and more easily. But as I thought back about my own bosses—I learned the most when people let me learn by doing . . . Figuring that right level of involvement in staff’s work is the key.”

## Lessons Learned

Organizational leaders who have experience with long-term organizational development efforts have the following lessons to share with those who are considering or are engaged in OD work:

### **The nature of OD work**

- “Our sense is that organizational development is somewhat shaggier, less systematic, and more situation-specific than the way we think about it in workshops and learning clusters. It’s so didactic in workshops . . . . In reality and practice, it’s not as neat as we present it; it’s different from organization to organization. It’s living, it changes as we perfect it. It’s a dynamic, not a static thing.” (VESEEHC Final Report)
- “It’s a process of two steps forward, one step back; It’s a progression, and it’s not always linear. You should be happy about your successes because there will be setbacks.” (Carol Williams, Eco-Action)
- “It always takes longer than you think.” (Wendy Johnson, Southern Regional Council)
- “You can’t pretend that there’s a magic OD formula. There are no ten things to do to solve all problems. It’s about people and their personalities. There’s no resolution but through interaction and day to day management. You can’t ever pretend that things will disappear with OD.” (Don Harker, MACED).
- “Organizations are like kids, it’s all about development. If you give them good, strong values, a clear vision of the future, and the view that everything is possible, they will grow up to be like that and. . . vice versa.” (Henrietta Zalkind, DEPC)
- “You just have to do it (OD). It’s kind of like ‘good grooming.’ People don’t want to know the details, but you’ve got to look and smell good as you walk out of the house.” (Carol Williams, ECO-Action)

### **OD as an ongoing, long term, never-ending process**

- “Above all else, the key lesson learned from the Babcock OD process is that OD is an ongoing process which organizations must continually address if they are to be healthy and effective. Thus, the Justice Center is committed to making OD an ongoing part of its future focus.” (Justice Center Final Report)
- “OD never stops. We’re just beginning. We’re not going to let the OD money run out. We’re going to find ways to pay for it.” (VESEEHC case study)
- “We learned that organizational development is everybody’s job. It is a continual process that never ends.” (DEPC Final Report)

### **Balancing with program demands**

- “Probably the most challenging problem has been to keep program demands and brush fires from interrupting and delaying lengthy OD projects . . . . It has been very hard to keep these activities going on a schedule when so many forces, internal and external, have the power to demand instant attention.” (VESEEHC report)
- “OD takes time away from the mission, but it will pay off.” (Carol Williams, ECO-Action)
- “In our third year of the OD plan, we were making incredible gains within our program work. Although our programmatic success aided us in reaching some established OD goals, such as increasing visibility and increasing individual donations, it prohibited us from conducting all the OD activities that we had hoped to conduct during the year.” (Eco-Action Final Report)
- “As you try to integrate OD into what you do normally, due to tensions pulling on you, you are distracted. You can’t keep focus and some things will slip.” (Bernie Macyck, South Carolina Association of CDCs)

### **Integrating OD into ongoing work/institutionalizing OD**

- “We encourage other organizations to see their OD work as integral to their program work, not as an add-on or a frill. This suggestion means, at a minimum, that OD work appears in the organization’s program plan, its budget, its calendars, and its meeting agendas. Otherwise OD work is always competing for attention and resources with ‘more important’ work in program areas.” (VESEEHC report)
- “It is crucial to institutionalize OD work so that it is part and parcel of what you do; it is key to programs to do it continually and do strategic thinking and planning so you see that OD works. The capacity is critical on all levels. They are inseparable. The process needs to be institutionalized.” (Art Carter, VESEEHC)
- “Flattening out the structure helps with OD so it doesn’t live in one person’s head but is part of the organizational culture. It makes it really visible.” (Henrietta Zalkind, DEPC)

### **Helping people sustain a process of change**

- “Continuous change, however, means that we have to build systems to help people cope with change. We see the retreats as a means of doing this, by giving folks time to pause and reflect, manage the workload, and build their capacity to handle the stress of constant change. We’ve also learned that structure counts. We’ve developed staff meetings, yearly retreats, monthly budget meetings, lunch and learn sessions, an internal technology team, and a monthly Family Night Out as mechanisms to gather and use information... We are also increasingly using e-mail as a way to do quick surveys.” (DEPC Final Report)
- “Make the stuff valid and visible to people so people understand where the time is going.” (Henrietta Zalkind, DEPC)
- “We instituted [twice-monthly] “stand up” meetings of 45 minutes. It’s rapid but substantive. We all say what our work was for the week or month and acknowledge individual

contributions and see how the OD process is germinating, seeding, moving the work. It also allows for celebrating victories.” (Wendy Johnson, SRC)

- “You have to use opportunities to talk about development and new leadership and provide a constant support system . . . also provide checks and balances, call people up and support them, motivate and tie it to other people.” (Carol Williams, Eco-Action)
- “You may lose some people along the way. For some it is too hard to change, for others it seems like too much work to do. In addition, there is a great fear of the unknown. We lost some staffers due to this.” (Don Harker, MACED)
- “How do we help people not be overwhelmed by this? We have a leadership team that makes informed management decisions, and we rotate staff onto that team. Staff feels ownership of the organization as a result of the process we moved through (merger). That’s the advantage of starting from scratch. We were all bricklayers.” (Greg Malhoit, Justice Center)

### **Executive Director leadership in the process**

- “The Executive Director should steer, not row; listen to what people say; and share power.
- Make staff changes when you have to.
- If it’s a problem, address it or it will likely get worse.
- Build people’s capacity to share the work.
- Continually invest in the staff.
- Hold yourself accountable to getting the work done.
- Make your expectations clear and routinely check in to see if they are being met.”

(All of the above from Henrietta Zalkind, DEPC)

- “You’ve got to ‘download’, i.e., to share in ways that people can understand it, download what’s in your mind.” (Wendy Johnson, SRC)
- “Trusting other people’s abilities and turning over things is key.” (Carol Williams, ECO-Action)

### **When it’s best to take on OD work**

- “It’s easier to start from scratch with an organization and be proactive about OD; it is so much easier than having to change an organization. It can get to a point where it’s malignant and you can’t change it, i.e., the whole attitude from the board and staff makes it impossible to turn the situation around. You’d have to reinvent the organization or create another organizational vehicle to do the work. So, if you let the stuff get too far ahead, change is

limited. The earlier you can catch people in their organizational life, the easier it is.”  
(Henrietta Zalkind, DEPC)

- “Organizations, like people, must reach certain levels of maturity before tackling more advanced OD challenges.” (Justice Center Final Report)
- “When you are in a growth mode, it automatically puts people in a change mode.” (Don Harker, MACED)

### **Re: consultants/facilitators**

- “Finding the right facilitator is key, and then having the internal capacity to implement what’s learned from and developed with that facilitator.” (Debra Tyler Horton, Justice Center)
- “Know that there are good and bad consultants and spend lots of time up front finding out who you are dealing with. Definitely check references. And never abandon decision-making to consultants.” (Greg Malhoit, Justice Center)
- “We are learning that sometimes we’ve been too dependent on outside consultants, specifically in the area of technology. We need to train staff in network administration and database management, in order to maintain the system we’ve built. We also need to constantly build our own staff’s capacity in order to be able to teach and help others.” (DEPC Final Report)
- “The OD process surrounding the creation of the fund raising and development plan was difficult to conceive and implement. Consultants were used early on to help develop the plan itself, but in the end, the Center recognized the need to have staff capacity to lead its development effort. Once this OD decision was made and an associate director hired, the Center’s fundraising picked up steam and proved to be successful.” (Justice Center Final Report)

### **Board/staff involvement**

- “Helping people imagine what’s possible is a big issue in the work.” (Carol Lamm, MACED)
- “Buy in from the Board is key. We shared with the board and built board involvement by having their representation on different sub-committees and got others involved. It’s important to have the board and staff working together. You also have to be careful when identifying board members that they are bought into the organization and their role in it. Getting people active in the organization’s work changes their thinking and perspective.” (Debra Tyler Horton, the Justice Center)
- “It’s key that there’s a sense of readiness for change, for something new and different. Even if it’s not clear what it would be, it’s wanted, people want to be a part of it. [It’s critical to have] staff who can infect others with a sense of dynamism.” (Wendy Johnson, SRC)

- “It’s important to get the board involved in OD, in part by drawing on their talents and insights to pull them into the work.” (DRC Final Report)
- “Increasing productivity, skills and the confidence of the staff are key to the work.”(Carol Williams, ECO-Action)

### **Pacing the work**

- “Once we saw that [OD involved] incremental change, we slowed the process down and that made a big difference.” (Greg Malhoit, Justice Center)
- “Don’t move all the pieces at the same time; prioritize and take steps.” (Henrietta Zalkind, DEPC)
- “You must look at the entire organization from an OD perspective and figure out in a strategic way how to take the work on. It is important to be comprehensive, not piecemeal, so it is intentional. It takes more time, but it is key to figure out what and how you will prioritize.” (Wendy Johnson, SRC)
- “Finally, we are learning to be realistic about our organizational capacity, to set limits, and to say no.” (DEPC Final Report)

### **Other**

- “The efficiency and effectiveness we want can’t come at the cost of compromising why we are here in the first place. Just because we are nonprofit doesn’t mean that excuses us from operating with standards, yet we have to guard against being so driven by efficiency that we lose sight of the value of the sector, constituency, the work, etc.” (Bernie Maczyk, S.C. Association of CDCs)
- “We learn OD better by teaching it to others. By teaching it you have to understand it well enough to have an answer. We teach OD to each other at staff and board meetings; we teach it to other organizations. People ask questions and challenge it. You have to feel it to impart it to someone else. You always learn something.” (Art Carter, VESEEHC)
- “Use OD resources offered at low cost or free from intermediary organizations.” (VESEEHC Report)
- “The biggest [problem] is people don’t look at the vision, mission, i.e., the big picture.” (Henrietta Zalkind, DEPC)
- “It is important to ‘move beyond our insularity,’ i.e., to call upon ‘fellow travelers’ or stakeholders so you can hear from them a constructive and sometimes harsh critique of the organization and its work. We learn so much from what we don’t do well.” (Wendy Johnson, SRC)

- “Prior to this generation of leaders in which nonprofit work has been professionalized, people came to the work because they wanted to do good. They learned by trial and error because there were no resources to do [organizational development] work. Learning by trial and error not only is not necessary, but can be fatal... most people understand this nowadays; it’s not a hard conversion if you can give people exposure.” (Cathy Alston-Kearney, Warren Family Institute)

## Appendix

### Descriptions of Organizations Interviewed

#### **Building Community of Rutherford County, Rutherfordton, NC**

Building Community's vision is that the people of Rutherford County will "uplift children, strengthen families and build community." Building Community is involved in child, family and community issues primarily through urging human services agencies, churches, civic clubs and individuals to take a collaborative approach in serving the children and families of the county. Since its inception in 1991, under the aegis of Building Community or at its urging, agencies and organizations have sought and obtained more than \$2 million in grants for new and expanded efforts including child care, early education, teen pregnancy counseling and family self-sufficiency.

#### **Community Foundation Serving Coastal South Carolina, Charleston, SC**

The Community Foundation Serving Coastal South Carolina enhances philanthropy by providing customized services to donors and communities. The Foundation's NEW Fund values neighborhoods and strengthens efforts of low- and moderate-income residents to improve the quality of life within their communities. It accomplishes its mission through the provision of technical assistance and financial resources in partnership with neighborhood organizations.

#### **Democracy Resource Center, Lexington, KY**

The Democracy Resource Center (DRC) helps citizens and grassroots groups participate meaningfully in public decision-making and make government more democratic. By providing technical assistance and resources, DRC helps empower citizens to compel government to serve the needs of all people. Based in Kentucky, the organization helps citizens work to overcome institutional racism and gain economic, social, and environmental justice.

#### **Down East Partnership for Children, Rocky Mount, NC**

The Down East Partnership for Children seeks to ensure that every child and family in Nash and Edgecombe Counties receives the education, health care, and social services necessary to have a good quality of life and to achieve economic success. The Partnership grew out of the Common Ground effort to foster race relations between Nash and Edgecombe Counties and is now part of North Carolina's Smart Start Initiative.

#### **Environmental Community Action (ECO-Action), Atlanta, GA**

ECO-Action provides technical and organizing assistance, training, research and information to communities addressing toxic pollution issues in the state of Georgia. ECO-Action focuses its work on those who remain locked out of traditional circles of power and influence, i.e. low-income, rural and communities of color, and people with limited formal education. It assists people in developing their capabilities and exercising their rights to participate in decision-making processes that affect the quality of their lives.

**Mountain Association for Community Economic Development, Berea, KY**

The Mountain Association for Community Economic Development (MACED) provides resources and opportunities to citizens to build sustainable, healthy, equitable, prosperous, and democratic communities in central Appalachia. MACED's core program includes business development activities, sector-based economic development strategies, the Sustainable Communities Initiative, and ongoing research and program development. In addition, MACED has helped seed and spin off several organizations through the years when they identify related issues that do not fit squarely in their core mission but which affect their work.

**North Carolina Justice and Community Development Center, Raleigh, NC**

The North Carolina Justice and Community Development Center promotes legal, economic and social justice by influencing public and private sector decision-making so that traditionally disadvantaged individuals have access to the resources and opportunities that they need to become self-sufficient.

**Prichard Committee for Academic Excellence, Lexington, KY**

The Prichard Committee is a citizens advocacy group which provides a public voice for efforts to improve education for Kentucky children. Their Commonwealth Institute for Parent Leadership trains hundreds of parents to improve their schools and to advocate for more effective education policies in Kentucky.

**Southern Regional Council, Atlanta, GA**

Formed in 1919, the Southern Regional Council creates and implements broad-based initiatives that challenge individuals and institutions, for the purpose of eradicating racial inequality and economic and social injustice.

**Southern Rural Development Initiative, Raleigh, NC**

The Southern Rural Development Initiative (SRDI) is a collaboration of 23 community-based organizations working in the rural South. Formed in 1992, SRDI responds to the severe shortage of capital – philanthropic, religious, corporate, and public – available for sustainable economic and human development in the South's rural communities.

**Virginia Eastern Shore Economic Empowerment and Housing Corporation, Nassawadox, VA**

The Virginia Eastern Shore Economic Empowerment and Housing Corporation's mission is to eliminate poverty and substandard housing through Northampton and Accomack Counties, Virginia by organizing communities to implement their own development plans and by providing direct housing production and economic development lending.

**Warren Family Institute, Warrenton, NC**

The Warren Family Institute (WFI) seeks to provide a safe haven in which families can be empowered and supported in assessing their own needs and developing a plan of action. WFI works primarily with low- to moderate-income Warren County residents with dependent children to help them move toward economic self-sufficiency.