



Identifying and Correcting Unhealthy Organizational Dynamics

by Kim Klein

Many times when small nonprofit organizations have trouble raising the money they need, the director calls me, saying the problem is that the board doesn't take its fundraising role seriously, or that the board is having problems raising money, or asking if I know a "really good development person" they can hire. Often, these are not the problems at all. Here are three true stories, although the names and locations have been changed.

1. The finance committee of the Board of Women Want Work (W3) is holding an end-of-year meeting to review their financial picture. This year's budget was \$150,000 and the executive director has recommended increasing it to \$250,000. Here's the picture they see.

Last year's actual income was \$110,000. The board raised only \$20,000 of their goal of \$25,000 and foundation funding fell short. Expenses were reduced to \$105,000 by postponing hirings, having the good fortune to receive a donated a computer system rather than purchasing one, and imposing some cost-cutting and frugality measures.

Despite this year's faltering fundraising performance, the executive director believes she can raise from foundations the extra \$100,000 she wants in next year's budget. She also thinks the board's fundraising goal should be increased to \$50,000 and that the remaining \$100,000 will come from current donors.

Board members Brenda and Rosita (two of the five finance committee members) express their doubt that W3 can grow this fast, especially in light of last year's experience. Rosita believes the board will be demoralized by a \$50,000 goal, and that a more appropriate goal would be

\$25,000 or \$30,000 at the most. Brenda thinks counting on foundations for so much money is foolish.

The remaining three finance committee members do not counter these arguments. One says, "We must have confidence in Julie (the executive director). The second says, "Julie always manages. Look how well she did with last year's budget. We ended up with \$5,000 carryover even though we were \$40,000 below projected income." The third says, "Budgets don't mean that much. They are just ideas of what might happen." Brenda asks Julie what she thinks. "I think I can manage the budget," she says. "If the board does its job everything will be fine." The chair calls for a vote on the budget and it is passed with 3 voting for, Rosita voting against and Brenda abstaining.

Several months later, as the board struggles with its fundraising responsibilities, Rosita resigns, followed by Brenda. Two other board members leave soon after.

2. Across town at People for Pure Air, Matthew, a new board member with quite a lot of fundraising experience, is attending his second meeting. The Annual Campaign is being discussed. The chair of the development committee is urging each board member to write personal notes on 50 of the form letters going to donors being asked to renew. Matthew suggests possibly following up those notes with phone calls. "We have never done it that way," says the development chair. "We have always done it this way," says another board member. "It works pretty well this way," says the executive director, and the meeting proceeds, with Matthew wondering to himself if he was too overbearing in his suggestion.

3. The fundraising plan for the Children's Learning Center is to be presented at tonight's board meeting. The development director asks (again) if she can go to the meeting and present it herself. The executive director thinks it is not a good idea. "It is important for the board to have just one staff person to deal with, and I can present this plan," he says. The development director sighs, but agrees not to go.

At the meeting, the executive director recommends passing only part of the plan, and the board agrees with his recommendation. Later he explains to the development director, "I tried to get them to understand the whole plan, but they were adamant. Sorry." He reasons to himself, "She wouldn't listen to me, but she has to accept the decision of the board." Even later, two board members who know the development director are puzzled at her coolness to them when they visit the office for a meeting. A few months later, she leaves, telling the director that she needs to work in an organization where she has more access to the board. He tells the board that she has quit because she needs more time with her family. She is the fourth development director in two years, which some board members find puzzling, but don't know how to evaluate.

What Is the Problem?

Working in small nonprofits almost invariably means having too much to do, and being human means that we look for simple solutions to problems. The first step in finding a simple solution is to make the problem seem simple. A common analysis is that the problem is with the board. They (pick one or more) don't understand their role, have many new members, need to be more comfortable asking for money.

Unfortunately, the problems revealed in the scenarios above are not simple and simple solutions will not fix them.

The first step in finding a real solution to a problem is to identify the problem properly. Failure to raise the money you need, or problems getting the board to do its job in fundraising often point to an unhealthy organizational culture. We can identify three common dynamics in the examples above that will take their toll on fundraising and on the overall health of the organization.

1. Dissent is perceived as criticism of a person. In the first example, the board members who disagreed with the budget increase were told they did not have faith in the director. Many organizations suffer from a dynamic in which one person (and sometimes more than one) is seen to know best for the entire organization and the board relinquishes their power to this person. Sometimes this person is the founder of the organization, sometimes the chair of the board or a particularly powerful board member; often it is the executive director; occasionally it is the whole staff (in the case of a small staff) or the entire development committee. With this dynamic, one person takes on a huge amount

of authority and responsibility and everyone else lets them. If they advance an idea or are in favor of one, their opinion carries inordinate weight. All decisions are then perceived in terms of being for the person or against them. Discussion of the content of an idea becomes impossible.

2. Conformity is the highest value. Here there is no one person whose feelings are at stake, but there is little room for making change. In organizations that do not have the imagination to go beyond what they've done in the past, suggestions or new ideas are seen as unhelpful or even a hindrance. People making suggestions are handled politely but firmly. Eventually, either they cease to bring up new ideas or they are labeled as troublemakers and made to feel marginal.

3. The executive director doesn't tell the truth. If a director wishes to avoid confrontation or cannot maintain his or her authority legitimately, he or she will play the board members against the staff. By not allowing staff access to the board (an increasingly common practice), the director is the sole interpreter to the staff of what the board says and to the board of what's happening with the staff. In organizations where board members are not recruited from the constituency, individual staff members are unlikely to know board members personally, and neither side has any way to check on the veracity of what they are being told. Usually the director has convinced him or herself that his or her actions are justified, and that it doesn't really matter if what he or she says is not exactly true — the work of the organization is what is important.

You can suspect that one or more of these dynamics is in play when board members routinely leave before their term is up, citing lack of time or overcommitment, and/or staff turnover is high, particularly in the development function. High staff or board turnover can also disguise another problem, which is that some people never leave. New people come and go, but the old guard remains. Rigid lines of communication and strict hierarchy spell cover up. While legitimate compliance with accepted customs is appropriate, servile surrender to tradition is a sign of a problem. Lack of participation on the part of those with new ideas or new ways of thinking is the outcome here.

You may be thinking, "Well, I have half of problem one and part of problem three." Like English ivy on a fence, these dynamics intertwine and wrap around each other, so that separating each strand is impossible. To describe them is, by necessity, to oversimplify.

Individual Solutions

What can be done if you identify one or more of these problems in your organization?

First, follow the Quaker adage, "Assume good intent." It is quite probable that no one deliberately wants to inflict these dynamics on an organization; most likely, the prob-

lems have grown over months and years of people letting them go by unrecognized. People may have had a sense that something was wrong, but did not know what it was. Many people are willing to assume that their discomfort is “just me” or that “everyone else seems fine with it” and try to change themselves to fit the dynamic rather than questioning it. Seeing that there is a problem is half the battle.

So the first step is trying to identify exactly what is going on. Let's say you are Brenda or Rosita in the first situation. You need to document in writing all the times that you raised a point of discussion and were told to “have confidence in the director.” Then, make it clear that in each instance you were not evaluating the director, but the proposal she had put forward or championed. Leaving the board, while understandable, reinforces the notion that you did not like the director.

Let's say you are a board member in the Children's Learning Center described in situation #3. You wonder if an organization having four development directors in two years is normal. What can you do? You can call around to other development professionals or to your local fundraising trade association, such as the local chapter of the National Society of Fund Raising Executives. You can read in the literature about fundraising staff (check with your Foundation Center Library or Cooperating Collection). Your reading and calling leads you to think such turnover is unusual and possibly a sign of an organizational problem. You can then ask the personnel committee to institute a policy to conduct an exit interview with all staff who quit. This will probably surface the problem, and now the board can begin to deal with it.

Welcome dissent. People who disagree are involved and care what the outcome is. When disagreement is welcomed and seen as helpful, the person disagreeing can do so without resorting to personal attacks or without feeling defensive.

Be willing to ask if you can try something yourself. At People for Pure Air, in situation #2, Matthew could have asked if he could call some of the people whose letters he notated. He could then report his success at another meeting. If he could get one or two other board members to call as well, he could change the tradition. In situation #3, the development director could ask ahead of the board meeting if she could call the treasurer to discuss her plan, or she could simply send a copy of her plan to the whole board so they could see it before the meeting, and ask them to call her if they have questions. Asking for this might elicit a negative response from the executive director, but it might also force the director to be straightforward in his disagreement with part of her plan.

Be willing to question procedures. For example, Rosita and Brenda could question why the budget gets passed on a majority vote. Something as important as a budget perhaps ought to be concluded only by consensus. The way your orga-

nization does things may not be the way everyone does them.

Finally, recognize that one person cannot change a dynamic. The majority of people in the group have to recognize the problem and agree on a plan to work on it. Even then, it will be difficult. You don't just see the problem, agree to fix it, and then it's fixed. Old habits die hard. Going back to the vine analogy, finding the root of the vine is a more useful thing to do than unwinding all its many strands, but even then, digging it out completely can take a lot of time and several attempts.

Organizational Solutions

One organizational solution to many problems is to make sure there is money in the budget and time set aside to send staff and board members to trainings on effective board functioning. Board members' experience in working with a large group of people often comes only from their family, their workplace, their high school marching band, their bowling league or any number of other places where the rules and regulations are inappropriate to a healthy board. Having no other experience, they default to what they know.

Executive directors should receive management training. Thousands of executive directors have been so successful with their organizations that the organization has grown past the director's ability to run it. A director in an organization with one or two other staff people doesn't need much supervision experience, but as soon as there are three, four, five, ten staff, he or she does. If a director is used to being competent and used to being perceived as successful, it will be hard for that person to ask for help. He or she will feel inadequate, but cover this inadequacy with rigidity. Sometimes people don't know what they don't know, and they are utterly unaware of the consequences of their actions. Management training can expand an executive director's understanding of their job immeasurably, before a situation becomes personalized within the organization.

Third, bring in management consultants or meeting facilitators to help separate content from personality, so that issues can be fully discussed without rancor. Sometimes a person needs help with how they express disagreement, and often people need help hearing disagreement. Some problems are cultural. For example, a friend of mine moved from her home state of Alabama to New York. Working in a nonprofit group there, she felt people in her organization were always fighting and making fun of each other until she realized that the New York style of direct communication and brusque interchange is very different from the Southern style of gentle politeness.

Sometimes problems arise from lack of clarity about how meetings are run. Someone who believes he should raise his hand and be recognized by the chair before speaking will feel unacknowledged and disrespected in a group where other people just speak up whenever they want.

Problems Happen

I once participated on a board where a sign was posted in the boardroom: “Watch out! Feelings are everywhere.” It was a helpful reminder that no matter how well intentioned we are, how good our political analysis, how sterling our history of work on the issue, we are still insecure and vulnerable and we can lash out at others who are similarly insecure. Add race, class, gender, sexual orientation and capitalism run amuck to the mix and you see where there could be some problems.

If your organization doesn't have problems, it is not a group. Groups have problems. Ideally, they have new problems every so often, and they learn from their problems. Facing the problems can be a source of creativity, fun and ultimately solidarity.

Creating a lasting institution, which is what most of us are trying to do with our organizations, requires letting go of the idea that you cannot be replaced, and requires embracing the fact that once you leave, in a year or two you will be all but forgotten. Creating lasting institutions means welcoming all kinds of people and personalities and working hard to work together. As feminists of the 1960s and 1970s taught us, process is part of the product. **GFJ**