

**Governance and Organizational Leadership: The Case of OneMorgan County**

**Rachel Graci**

**Regis University**

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Fort Morgan, Colorado is an agricultural community located 80 miles northeast of Denver. This small town has a long immigration history involving many diverse people and complex, often strained, relationships with local residents. Dating back to the depression era Mexican Bracero program, including Japanese citizens displaced from California during WWII, to more recent East African arrivals filling employment gaps in the meatpacking industry, Fort Morgan has long been a host to those seeking economic opportunity or fleeing persecution. With a population of approximately 30,000 people, the town is now 35% Latino and almost 10% East African. Immigrant groups have experienced different acts of discrimination and abuse in Morgan County (OMC business plan, 2009).

OneMorgan County (OMC) emerged in 2005 as part of The Supporting Immigrant and Refugee Families Initiative (SIRFI) of The Colorado Trust. Their mission is to facilitate, educate, unite and collaborate with diverse people and organizations to enhance and strengthen the inclusive nature of the community (OMC website, 2010). Morgan County does not have another entity, either public or private, focused on community integration issues. The organization does not seek to compete with, or replicate existing services. Instead it compliments and expands upon them by focusing on outreach to under- served communities. It also assists service providers with cultural competence and intercultural communication skills necessary to serve these populations. Their potential impact to the community is unrestricted (OMC business plan, 2009). The police department, Morgan Community College and the local school district have all been strong partners for OMC (B. Zion, personal communication, June 3, 2009).

OMC is a dynamic nonprofit startup with a wide array of stakeholders. Their work is highly visible in a community that is polarized and charged when it come to matters of immigrants in their town. OMC utilizes a broad approach to immigrant and community integration. The organization

seeks to bring stakeholders together, acting as a leadership entity. These factors are important in understanding the current work of OMC's board of directors.

This document is intended to be utilized as an "action plan" for the governance and organizational leadership of OMC. Building on the executive director interview on 6/3/2010, this paper will explore the issue of governance, including board components and models. This must be understood in the context of OMC's life cycle. It will also provide recommendations, based on best practices and a literature review, on inclusiveness, connections to the business community, financial sustainability, the reputation of board members and the role of the executive director as servant-leader.

### Organizational Life Cycles

There are a variety of models used to examine organizational and board life cycles. Nonprofit organizations pass through stages of development that have foreseeable features and characteristics. (BoardSource, 2006). BoardSource recognizes five distinct stages: start-up, adolescence, mature, stagnant and defunct. A nonprofit's ability to achieve its mission through effective program delivery is the predominant determinant of its lifecycle phase, not the budget or size of the board. Any organization that seeks to successfully deliver their mission must attain the mature stage and sustain itself there (BoardSource, 2006). The ability of a nonprofit to build capacity and adapt are the hallmarks for a nonprofit to be successful and fulfill the needs of society (BoardSource, 2006).

OMC is in the start-up phase of organizational development. Nonprofit organizations tend to be established when a small group of people rally around a common cause and are galvanized into action (Andringa & Engstrom, 2007). OMC board members and the executive director are working hard to make the organization financially sustainable to fulfill and advance the mission of immigrant integration. Some board members are required to provide hands-on management in addition to their

oversight duties (Andringa & Engstrom, 2007). Outside of the executive director, OMC relies entirely on volunteers.

It is not uncommon for an organization's programs to be superior to other infrastructure components (Stevens, 2001). As OMC has been offering some of their programs and services since inception in 2005, most can be described as being in the 'adolescent' phase of development. The programs and activities are formalized and the public has a good idea of what to expect (Andringa & Engstrom, 2007). In order to reach a mature stage, program evaluation tools and outcome measurements need to be defined and tracked. The financial resources of the organization and the administrative systems of OMC are consistent with the start up phase. The more advanced an organization is in its development, the more that can be reasonably expected of it. Staff, board members and even grant makers will have higher expectations of a mature organization than a start up (Stevens, 2001).

The board of OMC, formerly the Advisory Council, along with the former executive director began "dreaming the dream" of immigrant integration in 2005. The "venture was launched" with funding and technical assistance from The Colorado Trust and the Spring Institute for Intercultural Learning. After OMC became an independent 501 (c) 3 organization in 2009, the board began "getting organized." Typically, roles start to become specialized and more formally defined at this time. The natural energy of the founders is no longer enough to ensure viability. This is the stage when financial controls are established, employment policies are created and publications become more formal (Bridges, 2003). Most organizations emerge from this phase with new practices, structures, systems and habits that allow them to evolve. In this model, the next stage will be "making it" (Bridges, 2003).

As a nonprofit grows and changes, the board will also pass through organizational stages. A board cannot remain static. Three distinct types of boards develop as the organization evolves: the organizing board, the governing board and the institutional board (Mathiasen III, 1998). OMC has

an organizing board. It was formed by a group of volunteers who came together to begin work on the mutually agreed upon project of making Morgan County a more inclusive place to live and work. This board must assume a strong and active leadership role and remain task-oriented. All organizing boards tend to be small, homogenous, rather informal and very committed to the purpose (Mathiasen III, 1998). OMC does fit into this description, although more formal in structure due to their partnership with the Community Resource Center.

Change is essential to enable boards to renew and revitalize so they can best serve the organization (Mathiasen III, 1998). As OMC begins to evolve into a governing board, the transition will need to make sense to both board and staff members. Otherwise, people will resist and make it difficult for the organization to grow (Bridges, 2003). Success leads to growth and to increasing complexity. “The successful outcome of any phase of organizational development triggers its demise by creating challenges that it is not equipped to handle” noted William Bridges (Bridges, 2003). This is the “developmental imperative” that pushes an organization through the organizational phases (Bridges, 2003). To ensure a smooth transition, the board and executive director must engage in a candid and thoughtful assessment and deliberate strategic planning (Mathiasen III, 1998).

### Governance Components

OMC contracted with the Community Resource Center to create their Articles of Incorporation and Bylaws. At this time, the board appears to be following the tenets and parameters established. Brenda Zion, executive director, states that the board is performing very well at this stage, with no push back against the bylaws.

Ms. Zion reports that the board does have a self-evaluation tool that is used for individual reflection. This is not formalized or turned in. OMC is not currently using the “Board Assessment” survey (B. Zion, personal communication, June 3, 2009). In order to monitor board performance, the executive director may consider utilizing written job descriptions, offering a thorough board

orientation, providing feedback and creating standards of accountability for each member (Mise, 2005). The board does have a formalized process of decision making. A quorum of 75% is required before business can be transacted or motions made. All motions require a 2/3 majority to pass (Bylaws, 2009). Ms. Zion reports that this process is followed routinely. The board solicits and receives information necessary for decision making primarily from the executive director. Personal experiences in their small town also help to inform their decision making (B. Zion, personal communication, June 3, 2009).

Questions and comments from residents help the board stay focused on issues that are of concern to the community. Law enforcement is the primary issue dictating the direction of OMC in 2010 (B. Zion, personal communication, June 3, 2009). For example, the driving ability of recent immigrants was a recent cause for concern. OMC responded by offering English for driver's education classes and partnered with a local company to provide behind the wheel practice to refugees. Several stories ran in the local paper praising this program and the work of OMC. Ms. Zion indicates that having a strong partnership with the local paper has been a very useful outreach tool to help mobilize community support (B. Zion, personal communication, June 3, 2009).

### Governance Models

Nonprofit organizations must cope with increasingly complex and rapidly changing demographics. Consultants and theorists have many formulas on what constitutes effective governance (Armstrong et al., 2007). One of the newer perspectives on governance models addresses "interpretive perspectives". This frames the role of trusteeship as a "community of interpretation". The board is focused on reconciling the past with the present in a reflective way (Armstrong et al., 2007). OMC works with receiving community members to foster discussion and reflection on how to make the community a more cohesive, safe and integrated place to live in. OMC serves as a cultural broker, helping to build bridges between American and immigrant communities.

While examining various models of nonprofit governance, two variables are essential. The first variable is the “established” board vs. “innovative” board. The second is “unitary” vs. “pluralistic” (Armstrong et al., 2007). OMC has a board that is innovative and pluralistic. It is representative of a network of stakeholders and constituents. The author of this paper argues that the ideal governance model for OMC is a hybrid of the Constituency/Representative model and the Emergent Cellular model.

In the Constituency/Representative model, there is a direct and clear link between the organization’s board and its constituents. There is centralized decision making, but the input is decentralized (Armstrong et al., 2007). This model has both positive and negative features. The positive aspects include: having a broad base of participation, committees are action oriented, stakeholders are diverse and the board is focused on “the big picture” (Armstrong et al., 2007). Drawbacks include: extreme pressure for communication to be timely, energy can be diverted and activities therefore unproductive, conflicts do not always get resolved, tendencies to pursue self-preservation, etc (Armstrong et al., 2007).

Ms. Zion has stated that no single organization or individual is entitled to a spot on the board. All board members must firmly believe in the mission and vision of OMC and not merely serve as a token representative. Therefore, the positive features of this model can be merged with the Emergent Cellular model to create a system of governance which fits the need of OMC.

The Emergent Cellular model is characterized by distributed networks and continuous innovation. These organizations are made up of “cells” that can operate independently or in collaboration with other cells to produce something more potent (Armstrong et al., 2007). This model is relatively new and is also referred to as the “organic mobilization model”. The core of the board must be relatively small. OMC currently has nine members. The core board must draw on the expertise of additional community members to participate in governance functions (Armstrong et al., 2007). Strengths of the model include: flexibility, capacity for dissolution when needed, reliance on

distributed networks, power sharing, partnership through alliances, networks and innovative relationships, etc. Drawbacks include: few examples in the field to study, requires charismatic leadership, significant negotiations, etc. (Armstrong et al., 2007). This model is easier to establish in new organizations, a factor which OMC can take advantage of.

The key to having an effective board is social as well as structural. Outstanding boards are robust social systems (Sonnenfeld, 2002). No matter what model OMC ultimately creates, it is important to combine compassion with competence. It is useful to examine the relationship between authority and altruism as effective leaders will merge these two elements (Scott, 2000). Individual board members may fall into one of four quadrants: high altruism/low authority (“compassionate”), high altruism/high authority (“trustee leader”), low altruism/low authority (“marginal”) and low altruism/high authority (“resume builder”). (Scott, 2000). The trustee leader is an ideal individual for any board of directors. This person will balance these forces with a regard for the common good. They have the ability to see the immediate needs of the constituents within the context of the needs of the broader community (Scott, 2000). They possess a strong basis for decision making and are grounded in historical experience and wisdom. They value being and doing (Scott, 2000). When board members can embody both the competence and compassion mandated by organizational excellence, the community and constituency will benefit greatly.

#### Inclusiveness

Making the board of OMC more representative of its constituency is a primary goal. A lot of effort has been placed on engaging the receiving community in the past couple of years. Latino outreach needs to be revived (B. Zion, personal communication, June 3, 2009). The current board is comprised of individuals from the: school district, various community services, health department, higher education, chamber of commerce, police department, etc. However, the voice of the East

African community is missing and the Latino community is under-represented. This is not due to lack of effort on the part of the executive director. In working with the Somali community, she has encountered obstacles such as tribal distrust, widespread misinformation and a rivalry amongst elders to be seen as the community leader (B. Zion, personal communication, June 3, 2009).

Members of a start up board must struggle together to form a group that has shared values, such as mutual respect, tolerance and understanding (Mathiasen, III 1986). Diversity on a board is important for many reasons. There is a tendency for board members to act and think in very similar ways. People tend to select others who are like themselves. There is a sense of comfort in this homogeneity (Mathiasen, III 1986). Nonprofit organizations operate as public trusts for the common good. If all boards were monolithic, organizations would inevitably miss valuable perspectives (Mathiasen, III 1986).

Nationally known scholar Robert Putnam argues that “bridging” social capital unambiguously supports democratization. Conversely, bonding social capital, routinely being connected to people much like ones’ self, can serve to reinforce preexisting beliefs, including prejudices (Hauss, 2003). Civil society cannot flourish; social capital cannot be bridged unless individuals get involved (Hauss, 2003). OMC is a good example to illustrate individuals and an organization dedicated to building bridges in their community. Building trust and tolerance are invaluable tools in solving conflicts and strengthening democracy.

“Nonprofit boards owe their allegiance first to their community and only second to their organization,” says Kevin Taketa of the Hawaii Community Foundation (McCambridge, 2003). That allegiance must be assured by the active involvement of the people being served by the organization (McCambridge, 2003). This will allow them input into program development and identifying priorities. If nonprofits fail to engage their communities, their legitimacy may be at risk

(McCambridge, 2003). Boards must work to ensure that the interconnectedness between various social factions and communities are explored and understood (McCambridge, 2003). This is the foundation for all programs of OMC.

Diverse organizations are not always inclusive. An inclusive nonprofit effectively incorporates the assets, needs and perspectives of diverse communities into their organizational work and culture (Arno et al, 2005). In 2002, the Denver Foundation launched the “expanding nonprofit inclusiveness initiative” focusing on race and ethnicity. Their mission is to enhance the effectiveness of metro Denver nonprofits by helping them become more inclusive of people of color (Arno et al, 2005). If nonprofits base decisions on unexamined assumptions, chances are high that their work will be less effective and relevant (Arno et al, 2005).

The Denver Foundation’s “Inclusiveness at Work: How to build inclusive nonprofit organizations” details an inclusiveness initiative that can be utilized by OMC. Their initiative covers a six step process: creating a structure, engaging in trainings, defining inclusiveness, conducting research, creating a blueprint and implementation (The Denver Foundation, 2005).

Inclusive organizations are able to: communicate more effectively with diverse groups, better understand changing markets, have the potential to access new donor pools and experience lower staff turnover (The Denver Foundation, 2005).

To build an effective and diverse board, OMC can create a profile or image of an ideal board. This will require the committee to examine the skills, interests, qualities, backgrounds and relationships that are desirable for candidates to possess (Mathiasen, III 1986). Additionally, OMC can invite nonboard members to join advisory councils or committees. OMC could also consider holding joint meetings with leaders from groups that are underrepresented (Andringa & Engstrom, 2007). There is no “right time” to begin this work. OMC clearly recognizes the importance of being

inclusive and is prepared to take the next step. By accessing the materials made freely available by the Denver Foundation, OMC will be able to move forward.

#### Outreach to the Business community

Ms. Zion has identified the local business community as a sector to engage in the work of OMC (B. Zion, personal communication, June 3, 2009). She is connected to the Chamber of Commerce and Cargill. Cargill is the town's meatpacking plant and largest employer. If business owners and community members were made aware of all the positive contributions immigrants make to the local economy, they could stop viewing immigrants solely as a drain on resources. She has begun an effort to identify "immigrant friendly" businesses and hopes to develop a program where welcoming businesses will be promoted and supported by the immigrant community.

Denver and the surrounding area have several professional and student chapters of Net Impact. Net Impact is "an international nonprofit organization with a mission to inspire, educate, and equip individuals to use the power of business to create a more socially and environmentally sustainable world" (Brinckerhoff, n.d.). Given their mission, they may be a good partner for OMC.

OMC can also network with Spring Institute's Entrepreneurial Development Services (SEDS). Although currently restricted by funding constraints to work only in Denver metro, the program seeks to expand its geographical impact in fiscal year 2011. SEDS provides technical assistance, micro credit financing and small business training to local immigrant entrepreneurs. They also provide individual development accounts to help immigrants save money in order to open their own business. Their work is focused on understanding both the obstacles and assets of the immigrant community in a culturally competent way.

### Financial Sustainability

Finding sustainable funding for OMC remains a primary challenge. Developing outcomes based evaluation methods for programming will be a critical step in attracting private Foundation and government funders. The board, while not yet a mature or institutionalized board, will need to assist the executive director with this task. The United Way has published a handbook entitled “Measuring Program Outcomes: A Practical Approach” providing a step by step plan to implement outcome measurements into programs.

OMC is currently under funded and in a “year to year” state of sustainability. Because OMC does use a broad approach to bring stakeholders together, it has been difficult to secure additional funding through the traditional grant application process. Locally, potential sponsors are also highly sensitive to the immigration atmosphere and rhetoric. There are some resources available to OMC through refugee resettlement channels to work with the emerging refugee population, but this funding is not sufficient to cover all expenses (B. Zion, personal communication, June 3, 2009).

OMC seeks to receive 38% of revenue from foundations and grants, 32% from supporting sponsors, 20% from government and 10% from earned income (OMC business plan, 2009). They have developed a sponsorship packet and have explored Board of Immigration Appeals (BIA) certification to provide legal assistance to immigrants. This would be an earned income stream when operational.

The executive director or board chair can invite a financial adviser to a board meeting to provide education on financial trends in the nonprofit sector (Andringa & Engstrom, 2007). Fiduciary responsibility is a legal requirement of board members. This is also referred to as the “duty of care” and dictates that the board must focus on the resources necessary to meet the organizational mission.

The commitment that board members make to an organization includes providing financial support appropriate to means and encouraging others to give. The amount contributed is less important than the participation rate (Andringa & Engstrom, 2007). OMC can establish policies to

guide fundraising with consideration to ethical standards, gift acceptance policies, various strategies to pursue, etc. A simple policy can read “each board member is expected to be a donor every year” (Andringa & Engstrom, 2007). OMC can focus on an individual’s willingness to raise funds when recruiting new board members. Each person’s network broadens the organization’s fundraising base and raises awareness (Andringa & Engstrom, 2007).

### Board Member Reputations

Ms. Zion is a 4<sup>th</sup> generation resident of Fort Morgan. The controversy of this work, real or perceived, has consequences for the executive director and board members. Their personal reputations are at stake and they are vulnerable to harsh criticism from community members who are unwilling to acknowledge the changing demographics in Colorado. This creates a dynamic tension.

Research and experience indicate that ostracism is one of the most powerful punishments devised. Fear of separation, alienation and loneliness can lead to inexplicable organizational behavior (Harvey, 1988). There is a fear of taking risks that may result in separation from others. The American cultural emphasis on individualism, technology and competition has resulted in a population that has “frequently experienced the terror of loneliness and seldom the satisfaction of engagement” (Harvey, 1988). Organization members generally know more about issues confronting the organization than they do not know. Confrontation becomes the process of facing issues directly and openly in an honest effort to discern the nature of the collective reality (Harvey, 1988).

A major controversy or crisis can attract negative media coverage and have both financial and personal implications. Having effective response mechanisms and a sensitivity to the image and reputation of the organization is important (Andringa & Engstrom, 2007). The board can develop a crisis management plan to develop policies that will address various controversies that may arise. It

is generally best to have one spokesperson. The designated spokesperson can be provided with media training and talking points (Andringa & Engstrom, 2007).

OMC will continue to face criticism as it grows and becomes more visible. The executive director and board members are willing to confront these issues because their belief in the mission and vision of OMC is firmly in place. They have found strong support networks and have demonstrated positive contributions to their county.

#### Director as Servant-Leader

Ms. Zion is the third executive director of OMC. Each director has brought their own unique strengths to the collaborative. The first executive director represented the Latino community very well. The second executive director was herself an immigrant who specialized in refugee issues. Ms. Zion is from the receiving community and has an intricate understanding of the local sociopolitical climate, attitude and fear (B. Zion, personal communication, June 3, 2009).

The executive director can take steps to create a climate of trust, candor and respect on their board. Openly sharing difficult information is imperative to establish this climate (Sonnenfeld, 2002). Leadership is not just about managing. Leadership is about serving others (Mize, 2005). Author and consultant, James C Hunter stated: “Leadership is influencing people to willingly...contribute their hearts, minds, creativity...toward mutually beneficial goals. Leadership is influencing people to commit to the mission...Leadership is synonymous with influence” (Mize, 2005).

Ms. Zion is a true servant-leader. Servant-leaders demonstrate authority with honesty, humility, selflessness, respect and patience. It is a high honor to make the commitment to help others be their best (Mize, 2005). Servant-Leaders are seeking continuous improvement. They are good

listeners who are empathetic and have a strong sense of awareness. They are committed to the growth of others and have a good intuition. They are dedicated to building their community (Mize, 2005).

### Conclusion

OMC is in the start up phase of its organizational development. It will eventually evolve to the adolescent stage. They are “getting organized” after launching their venture. Their board is currently an organizing board which must remain task focused. Well developed Bylaws and the Articles of Incorporation are in place to guide the work of OMC’s board. The focus of OMC is largely dictated by the demands of the local community.

The author of this paper suggests a hybrid governance model. OMC can take the attractive features of the Constituency/Representative model and the Emergent Cellular model to find a structure that fits the organization. An effective board must focus on structure and social composition. Individual board members must possess both compassion and competence.

Inclusiveness is a primary goal for OMC. The organization can work with the Denver Foundation and their “expanding nonprofit inclusiveness initiative” to develop a blueprint. OMC can partner with Net Impact and Spring Institute in order to strengthen business ties. Engaging the board in fundraising and developing outcome measurement tools will be essential to enable OMC to attain financial sustainability. A crisis management plan will assist OMC in dealing with controversy and negative press in their small town. The executive director and board members are servant-leaders dedicated to their cause.

OMC is an asset to Morgan County. Striving to build trust and cooperation in their community benefits all residents who live and work there. By focusing on the governance and organizational leadership of OMC, the organization will continue to evolve and have greater impact. A strong foundation is currently in place that will serve as the first building block in organizational

development. This paper seeks to outline suggested courses of action that may strengthen the organization in the future.

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