**INFORMATION MANAGEMENT**

**TECHNOLOGY**

**PUBLIC SERVICE PROVIDER RESULTS**

# 1 ▼ The Self-Renewing Organization

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*Man's job is to govern the future, not simply be a victim of the wind blowing this way and that way. I know, the best plans are upset. But, without a plan there is no chance. Best efforts will not do it!*

*W. Edwards Deming*

## 1.1  To Govern Our Future

Without ever having met you, I know that we have at least one thing in common. Way back when we were just sprouts, someone important to us, someone dear to us, who cared about us and what we would become, gave us one of life's great lessons. "Do your best," they told us. It was—and is—good advice. In my case, it was my parents and grandparents. It was one of many terribly important, even vital, lessons in life and living that we learned as children. Simple, straightforward, not terribly complicated, but important, and true—then as children, and even more so, now that we are adults.

Since we already know you remembered that good advice from your childhood and are doing your best, we can go on to some other important questions:

- Do you take joy in your work?
- If not, do you understand why not?
- If you are already doing your best, but there is not enough joy in your work, what else should you be doing to add this vital feeling, to help you "govern" your future?

Robert Fulghum tells us that "all I really need to know about how to live and what to do and how to be I learned in kindergarten."[1] "Share everything," he reminds us. "Play fair. Don't hit people. Put things back where you found them. Clean up your own mess.

Don't take things that aren't yours. Say you're sorry when you hurt somebody. Warm cookies and cold milk are good for you. Live a balanced life—learn some and think some and draw and paint and sing and dance and play and work every day some. When you go out into the world, watch out for traffic, hold hands, and stick together. Be aware of wonder. And then remember the Dick-and-Jane books and the first word you learned— the biggest word of all—LOOK."

He pointed out that everything you need to know is in there somewhere, from the Golden Rule to ecology, politics, equality, and sane living.

We should consider the lessons we learned the earliest as among the most important in our lives. The fact that we learned them as kids does not mean they were trivial. Just because they were basic does not mean they were uncomplicated or even easy to put into practice. "Playing fair" can be a real challenge in a highly competitive environment. The same for "sharing everything." If I share, will they share back, or use my share against me?

Similarly, we should remember that basic truths about achieving excellence can be straightforward and uncomplicated, and yet be critically important. To understand and apply the fundamentals of organizational improvement does not require extensive training in quantitative analysis or statistical theory. It does, however, require an understanding of how excellence is defined within functional areas of management and the basic definitions applied to levels of quality achievement.

"Man's job is to govern the future," Dr. W. Edwards Deming pointed out, "not simply be a victim of the wind blowing this way and that way."

Dr. Deming then went on to tell hundreds of Navy senior leaders: "I know, the best plans are upset. But, without a plan there is no chance. Best efforts will not do it. Is anyone here not putting forth his best efforts? Let him stand." This was followed by silence, then a great deal of laughter.

"I've been inquiring for years, trying to find him who is not putting forth his best efforts," Deming said, with tongue firmly in cheek. "No one has stood up yet. That is our problem! Everyone is putting forth his best efforts—without knowledge, without understanding what his job is, just doing his best. He will not take joy in his work without understanding what his job is. He cannot do his work without understanding why, and who depends on him. Man is entitled to joy in his work."

With apologies to Rev. Fulghum, doing our best is not enough. For us to govern the future, we must do those things that give us knowledge, that bring us to a better understanding of what our jobs really are and how they contribute to the aims of the organization—the customer-focused mission.

## 1.2   Beyond Quality Management

American organizations in all sectors of our economy struggle constantly to improve, to respond to the demands of operating environments that grow more competitive and challenging every day. Senior leaders have a variety of "tools" available to them, ranging from strategic planning and process improvement to new approaches to leadership and improved communications. Tried independently, these may produce modest improvements in the organization, usually after great investments of time and money. However, these improvements, achieved at great cost, are all too often temporary. Once a high level of excellence is achieved, most organizations find it much harder to sustain.

American leaders need insights to better understand how strategic planning, quality management, and intrinsically motivating leadership can and must work together to help ensure that hard-won gains in productivity, effectiveness, mission readiness, and profitability are sustained.

There can be no "prescription handbook." Like the proverbial lunch, there is no free "prescription" for quality management. "No one can come to your organization and 'install' something and tell you, 'Here, if you do this, this and this, quality is going to emerge everywhere.' That's just mischievous," notes Dr. Curt Reimann, former Director of the Malcolm Baldrige National Quality Award. There is no "instant pudding" for quality. But there is the ability and the need to share those techniques, approaches, principles, and best practices that work—even as we point the way to what lies beyond quality management.

Quality management was believed to be the "secret" behind Japan's come-from-behind international success, when it was "discovered" by American leaders in the early 1980s. Advocates credited its use for major successes in productivity and profitability by some of our organizations. Critics now say that it's not all that it was cracked up to be. Touted as the management miracle that would reestablish America as an international competitor, total quality management (TQM) became a growth industry for gurus and management consultants offering "salvation" to harried American business leaders. TQM spawned a fervent new breed of manager who talked the language of "empowerment" and "profound knowledge."

A new national quality award—the Malcolm Baldrige National Quality Award—was established to mirror a similar award—the Deming Prize—awarded in Japan. Hundreds of thousands of companies sought the criteria, and hundreds applied for consideration. Winning the Baldrige Award was good for morale—and business.

However, mixed signals began to emerge. Many companies that won the Baldrige award appeared to backslide from the high levels of excellence they had achieved. Others announced their commitment to quality with great public fanfare, anointed a guru, and fired up various "quality programs." Later, some of them quietly abandoned many of their "quality programs," but with private doubts as to why they had not measured up to their potential. Articles appeared in the business press criticizing "quality" as not working, or as so much managerial snake oil.

More experience with quality management revealed several contributors to a perceived softening of public opinion toward quality management. After years of highly positive coverage to any topic that claimed kinship to "quality," the press began to tire. "It's been given favorable attention long enough; it's time to be less cheerleader and more analytical," seemed to describe the turnabout in press coverage. More significantly, years of experience have shown the importance of addressing all three components that are essential to achieving—and sustaining—excellence: efficiency, effectiveness, and organizational environment. Organizations that focus too heavily or even exclusively on one or two of these areas may achieve higher levels of excellence for a period of time, but inevitably they are unable to sustain their hard-earned gains.

It became apparent, as shown by the experiences reported in many organizations, that quality management as typically defined, by itself, is incomplete. The primary emphasis is on process improvement and efficiency. While governing our future offers us the means to better our best, it requires that we know where we are going, how to get there, and how to create a climate for "safe change" in our organizations for ourselves and those for whom we are responsible: strategic quality leadership.

Expressed as "great lessons," if we wish to govern our future and that of our organizations, we must:

- Know where we're going, why we are going there, and how we plan to get there.
- Improve constantly in everything we do.
- Make it safe to change for ourselves and those for whom we are responsible.

## 1.3   Governing Our Future and That of Our Organizations

Governing our future and putting joy in our work will take more than simply *improving our processes*—more than focusing on ever-greater efficiencies. We have to *know where we're going*, to define our strategic vision, mission, and guiding principles. We have to have a way as individuals and as organizations to *see where we're going*, even as we try to *get better at what we do.* As Dr. Deming so wisely said, we have to have a plan, a "vision"—a desired future state—of what we desire for ourselves and our organization, and a direction in which to travel. We need some "strategy."

The plan tells us what direction in which to move, and strategy gives us answers about what means we can use to get there. Moving from here to there, however, requires change, *doing some things differently.* When we were little kids, change was fun. We liked to take new routes home from school, to color the sun in the right-hand corner of the picture instead of the left. Before too long, however, we learned that change can be uncomfortable. In most of our organizations, change can be threatening to our power, our authority, our position. Change, we learned, is suspect, perhaps even dangerous. Our path up the organization hierarchy was through management. And managers allocated and coordinated. Most importantly, they controlled. Normally, they resist change unless it is their idea and to their personal advantage.

The essence of management is in its most vital function: dealing with the increased complexity in large organizations. Effective management enables our increasingly complex, far-flung organizations to avoid chaos, by helping impose order and consistency in key functions and operations. Management techniques taught in our business schools stress controlling, planning, and budgeting—setting goals and objectives for the future (usually a not too distant future). Detailed steps are determined to achieve targets, followed by the process of allocating resources—funds and people—to accomplish plans.

Management emphasizes those capabilities and processes needed to achieve the plan—organizing and staffing, creating an organizational structure: job descriptions and qualifications; communicating the plan down the "chain of command"; delegating responsibilities for implementing the plan; and then putting those systems in place that are needed to monitor implementation.

Accomplishing the plan is ensured by controlling and problem solving—comparing results against the plan in great detail—reports, meetings, and inspections. Deviations from the plan are identified. Then replanning and organization take place, focused on solving the problem.

The essence of leadership is coping with change. Leadership has become much more important to all organizations, particularly major U.S. corporations. The world has

become much more volatile and competitive. Technological change on the order of exponential, international competition; rapidly fluctuating economic and political developments; and changing demographics is having a major impact on all our organizations because they are all connected in some way to the global marketplace.

The lesson we should take to heart about these global developments is that change is not only necessary, it is inevitable—*change is the only constant.* In addition, major change is increasingly necessary for any organization, large or small, if it is to survive and compete successfully in an always evolving environment. More change inevitably requires and demands more effective leaders—the organization's change managers.

Until recently and in normal times ("peacetimes"), most of our organizations did a relatively good job of managing and administering their product lines, services, and people. However, the overall climate and environments in which most of our organizations must operate more closely resemble that of war—from international competition to galloping technological change in the face of diminishing budgets. A "wartime" organization cannot be successful relying solely on management. A wartime organization needs competent, effective leadership *at all levels.* Over 200 years of our country's military history have taught us repeatedly that soldiers and sailors cannot be managed in battle— *they must be led.* The same can be said for any of us and about almost any of our organizations. Management is important, but effective leaders are required at all levels in our organizations.

The function of leadership is to produce change, not simply to react to forces and pressures as they occur. Intentionally determining and then setting the direction of that change or changes is fundamental to effective leadership, and effective leaders are change agents.

## 1.4   Palingenesis: Birth Over Again

Birth, growth, maturation, decline, and death—the cycle is ancient and universal. It is the subject of countless fables and myths from distant times. Finding out where the organization must go and how it should get there, constantly studying ways to improve its processes, changing outmoded concepts and approaches to ensure regeneration and growth—the life cycle never ends. If it does, death is the inevitable result. Only one thing holds death at bay: birth. Only birth can conquer death.

As with our bodies, long-term organizational survival depends on a continuous recurrence of birth to nullify the unremitting partial deaths our organizations suffer from competition, technological advances, and market saturation. From victories, the seeds of ruin can spring. Victorious countries continue to prepare for the last war. Organizations continue product lines or services long past their prime. Even organizations that have worked hard to become quality-managed organizations can and have fallen back from hard-gained high ground. When corporate death closes in, there is no salvation except dismemberment (acquisition) and rebirth as a reinvigorated component of another organization.

What is required to stave off inevitable decline or death is birth over again, regeneration, *palingenesis.* Organizational strategic planning is essential but not enough. Continuous improvement of all processes is essential, but leaders who are blind to other life-sustaining essentials can emphasize efficiency to the exclusion of other essential processes. Leaders can bring about change so disruptive or misguided that it destroys even as it breaks free from the outmoded past. Palingenesis requires a fertile organizational environment in

which promising concepts and ideas can be conceived and nurtured to maturity. Even as processes and services are honed to ensure they make their strongest contribution to renewed organizational strength, their replacements are taking shape, form, and function behind them.

Two of the first words we ever learned were *old* and *new.* Mostly, we learned that new is good. Old is bad. New has potential—a future. Old is worthless, junk, irrelevant. At the time, we did not realize that new and old are simply at opposite ends of a continuum matrix of two factors: *condition* and *time* (see Exhibit 1.1).

"In mint condition" sums up the highest condition of new—newly minted, shiny, fresh, valuable. At this end, *new* means fresh, recent, vigorous, changed for the better, or reinvented. The opposite end of the condition continuum brings to mind associations of stale, no longer needed, outmoded, antique, obsolete, and disposable—near death.

*With it, in step, cool,* and *relevant* are terms we associate with things that are current, modern, and in sync with the times. This is the highest value of currency with whatever environment in which we may be operating or have as the center of interest. To be dated is to be totally out of sync, irrelevant, extraneous, and immaterial.

Organizational newness can also be understood in terms of *condition* and *surroundings,* or *ambient,* as seen in Exhibit 1.2. For example, an organization's status or condition can be seen as its readiness to fulfill the mission(s) for which it exists. If an organization lacks purpose, or is not meeting its public purpose, it is tottering on the lowest rung of mission-
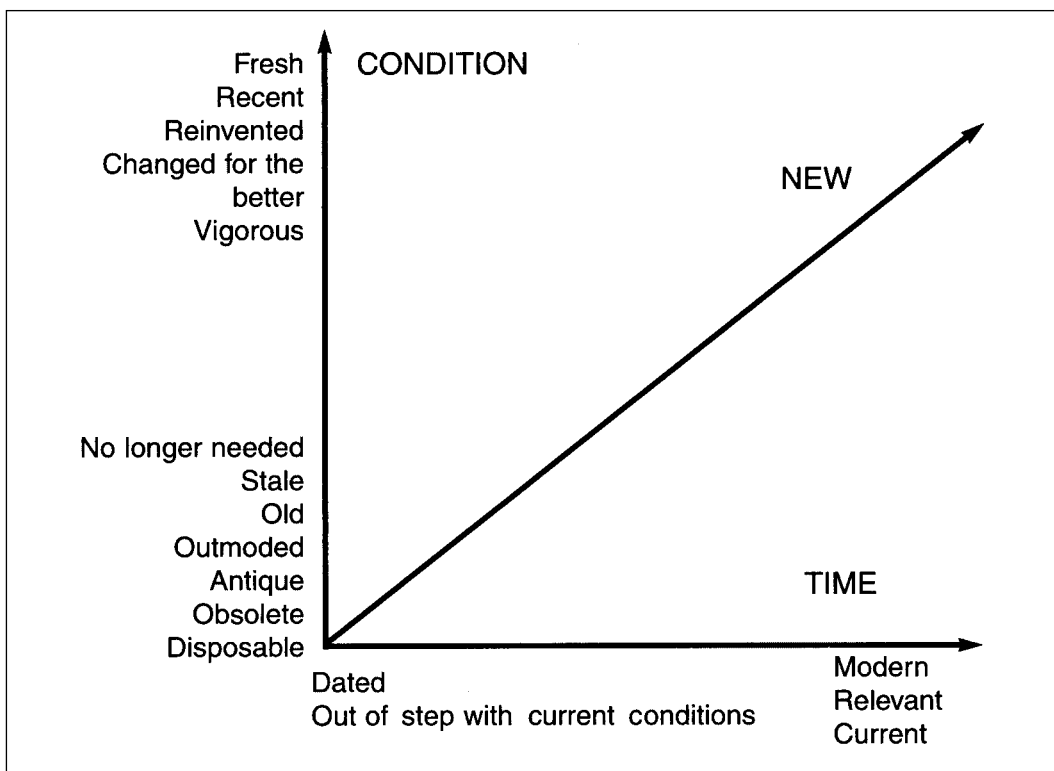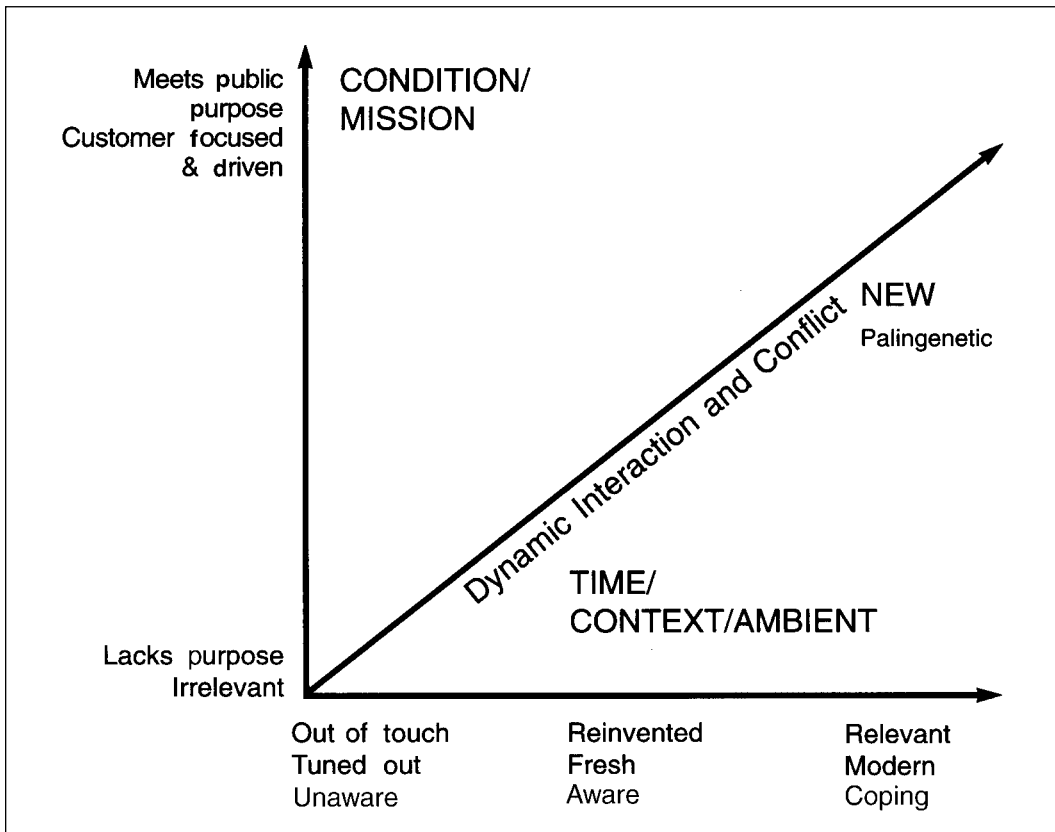
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**EXHIBIT 1.1  The New Vector**



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**EXHIBIT 1.2  Self-Renewing Organizations in Accord with Mission and Context**

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CONDITION/MISSION (vertical axis, top)

Meets public purpose / Customer focused & driven (top of axis)

Lacks purpose / Irrelevant (bottom of axis)

Dynamic Interaction and Conflict (diagonal arrow)

NEW
Palingenetic

TIME/CONTEXT/AMBIENT (horizontal axis)

| Out of touch | Reinvented | Relevant |
| Tuned out | Fresh | Modern |
| Unaware | Aware | Coping |

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readiness. However, an organization that is customer focused and driven and is meeting its public purposes is fulfilling its mission.

Time and surroundings are closely linked as well. The complex circumstances and ambient in which an organization operates are constantly changing—they are time driven. Those organizations that are in synchronous rhythm with their operating environment(s) are seen to be relevant, modern, coping, fresh, and aware. If they are not, they are tuned out, unaware, and out of touch.

## 1.5  The Excellence Equation: Key to Sustainability

Organizations that are vigorously proactive in meeting their public purposes, staying mission driven and customer focused, and having synchronized their operations within their surroundings are prime candidates for excellence. Their effective use of strategic planning is the key factor in whether they get there and whether they stay there.

Organizations that can achieve and sustain excellence are rare. Some organizations have worked hard to achieve excellence only to see their hard-fought gains erode as the organization fell back from the pinnacle. They could not sustain their newness. For any

organization to achieve and sustain excellence—to be self-renewing—it must understand and exploit the dynamic interdependent relationship among effectiveness, efficiency, and environment—the excellence equation:

$$N(ew) = E(nvironment) \times E(ffectiveness) \times E(fficiency)$$

Self-renewing organizations (SROs) have learned that they must operate at high levels of competence in both the condition (mission/effectiveness) and time (environment/efficiency) dimensions (Exhibit 1.2). In addition, they must create and sustain the enabling organizational environment needed to motivate, empower, and support the people on whom the services and customer satisfaction—results—depend.

Self-renewing organizations are effective (Exhibit 1.3). They use strategic planning to define and accomplish their customer-focused mission. They know they serve valid purposes. They know that they are needed and why. They know their public purpose is valid, and they continually adjust it to environmental conditions to achieve business results. Effective organizations use:

- *Customer focus and satisfaction* as the foundation for setting priorities and focusing improvement activities. Results and trends in this area offer a means to determine the appropriate direction for improvement activities and initiatives. Effective organizations listen to and learn from their customers on a continuous basis, then use that intelligence to determine their current and near-term requirements and expectations.
- *Strategic planning* to strengthen their customer-related, operational, and financial performance to improve customer satisfaction. Planning is essential to help organization leaders use customer and operational requirements as inputs to setting strategic directions. Strategic planning guides ongoing decision making, resource allocation, and organization-wide management.
- *Business results* as the focus for all processes and process improvement activities to assess their progress toward superior value of their offerings as viewed by customers and the marketplace, and toward superior organization performance reflected in productivity and effectiveness.

Self-renewing organizations are efficient. They perform well and economically, with reduced waste of time, energy, and materials (at least in comparison with their competition). We applaud their use of process improvement, information and analysis techniques, and approaches to reduce waste, to streamline their operations, and to make economical use of all resources. They constantly reassess their processes, products, and services to ensure that they meet customer needs while consuming the least amount of resources (money, time, and personnel). Efficient organizations use:
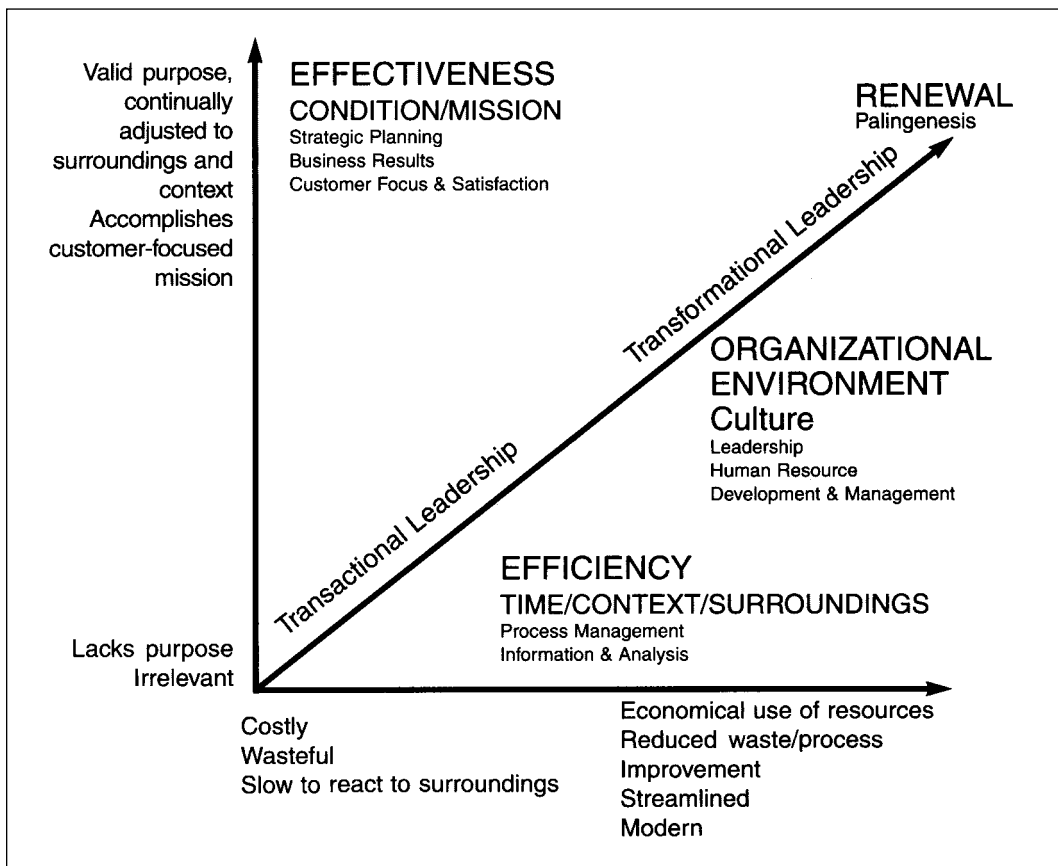
- *Process management* techniques to design and improve their customer/client service design, translating customer requirements into design requirements and into efficient and effective delivery processes. Efficient organizations also maintain process performance systems to ensure that they are performing according to their design and improved to achieve even better performance.

## EXHIBIT 1.3  The Interactive Dynamic Among the Excellence Factors of Self-Renewing Organizations

Effectiveness (know and accomplish their customer-focused mission/serve valid purpose)

Efficiency (perform well and economically, with reduced waste of time, energy, and materials)

Environment (use Transformational Leadership to establish and maintain an organizational culture able to adapt to changing conditions, manage change effectively, transition to new states, and turn in new directions, in short, to constantly evolve)



Valid purpose, continually adjusted to surroundings and context
Accomplishes customer-focused mission

**EFFECTIVENESS**
CONDITION/MISSION
Strategic Planning
Business Results
Customer Focus & Satisfaction

RENEWAL
Palingenesis

Transformational Leadership

ORGANIZATIONAL ENVIRONMENT
Culture
Leadership
Human Resource
Development & Management

Transactional Leadership

**EFFICIENCY**
TIME/CONTEXT/SURROUNDINGS
Process Management
Information & Analysis

Lacks purpose
Irrelevant

Costly
Wasteful
Slow to react to surroundings

Economical use of resources
Reduced waste/process
Improvement
Streamlined
Modern

• *Information and analysis* to support overall organizational mission goals and to serve as the primary basis for key decision making.

Self-renewing organizations create and sustain a transformational organizational environment in both leadership and human resource development and management. They adapt to changing environmental conditions and manage change effectively, constantly transitioning to new states, turning as necessary in new directions. They are constantly evolving. Often, we hear the phrase "They reinvented themselves." Organizations having a transformational environment use:

- *Visionary leadership* that establishes strategic directions implemented by a leadership system that fosters high performance, individual development, and organizational learning—a leadership that takes into account all stakeholders, customers, employees, staff, volunteers, suppliers, partners, the public, and the community. Leaders in self-renewing organizations set directions, create a customer focus, establish clear and visible values, and exemplify high expectations.

Leaders in the SRO focus their efforts to ensure the creation of strategies, systems, and methods for achieving excellence, stimulating innovation, and building knowledge and capabilities. The organization's values and strategies should help guide all activities and decisions made by leaders at every level. Senior leaders in the organization should inspire and motivate staff and volunteers while encouraging involvement, development and learning, innovation, and creativity by all members of the organization.

Through their ethical behavior and exemplary personal roles in planning, communications, coaching, developing future leaders, review of organizational performance, and staff and volunteer recognition, senior leaders in the organization will serve as role models, reinforcing values and expectations and building leadership, commitment, and initiative throughout the organization. They use communications and dedicated commitment to realize the organization's values, expectations, and directions. Through transformational leadership, the organization's culture becomes one in which the self-fulfilled individual knows that change is not only safe, but necessary to maintain effectiveness and efficiency.

- *Human resource focus—development and management* practices directed toward the creation of a high-performance workplace, directly linking human resource planning with the organization's strategic directions. Key human resource plans are derived from the organization's strategic and planned planning. The organization's job design, compensation, and recognition approaches enable and encourage all staff and volunteers to contribute effectively, operating within high-performance, empowered work units or teams. In the self-renewing organization, employee and volunteer well-being, satisfaction, and growth potential are based on a more holistic view of them as key stakeholders.

Self-renewing organizations are effective, efficient, and evolutionary. We may find it increasingly difficult to point out future examples of organizations at the lower end of the "in accord with mission and environment" curve. Those that lack purpose are irrelevant, costly, wasteful, and slow to react to their environment—prime candidates for extinction.

Self-renewing organizations gain enthusiasm from their base of intrinsically motivated leadership, reinforcing their desire to excel at ever-higher levels of achievement and comparison with other organizations with reputations for excellence. They have the visionary discipline in their senior leaders to plan and implement long-range strategies; an enlightened commitment to train, nourish, and foster intrinsically motivated "change agent" leaders at all levels of the organization; and the dedication to develop in their team-oriented work groups the tools and approaches needed to continuously improve all major organization processes.

Self-renewing organizations know where they are going, they constantly strive for excellence and improvement in all areas, and their leaders bring about nonthreatening

change. An SRO is the kind of organization we would all like to be a part of. It is the kind of organization we know would offer us the best opportunity for personal development and to make a meaningful contribution.

When we use the excellence equation, we establish a straightforward, easily understood cognitive map by which to understand the three fundamental elements necessary for organizations to achieve and sustain excellence. Further, the equation helps us understand the relationship of these three basic elements to the seven fundamental areas of organizational leadership and management, including:

- *Effectiveness:*
  - Strategic planning and development
  - Customer focus and satisfaction
  - Public service provider (business) results
- *Efficiency:*
  - Process management
  - Information and analysis
- *Environment:*
  - Leadership
  - Human resource development and management

In addition, by adapting the Baldrige Award/President's Quality Award Criteria as the basic definitions for these seven functional categories, we now have nationally defined descriptions and characteristics of organizational performance and achievement for each of these areas as well as the ability to benchmark our own organizations against established national criteria and standards. When we are better able to determine where our organizations stand in relation to national standards, we then have the ability to outline plans and strategies to help us overcome the "delta" (or short fall) between the next higher level of quality and the level at which we may now be performing.

The excellence equation is deliberately simplistic. It must be *adapted*, not *adopted*, to meet the assessment and planning needs of each individual organization. Hopefully, explaining and outlining the approach to excellence in this way will encourage others in their efforts to achieve higher levels of quality and improve their ability to do so. In the public service, nonprofit sector, success in quality management by thousands of organizations translates to an overall improvement in our national quality of life.

In addition, the excellence equation approach is intended as a way to encourage a deeper appreciation that sustained excellence is the goal we should be seeking in our organizations and in our lives, which requires the effective application of all three elements of the excellence equation. The excellence equation possibly can be considered a "great lesson," despite its simplicity. It could make a contribution to our collective ability to govern our future and that of our organizations in helping us:

- Know where we are going, why we are going there, and how we plan to get there.
- Determine how to improve constantly in everything we do.
- Impart a better understanding of the importance that we make it safe to change, to reach, and to grow—for ourselves and those for whom we are responsible.

# *1.6   Description of Categories*

The following discussion is adapted for nonprofit organizations from the President's Quality Award criteria and guidelines, in which each of the seven functional areas of excellence is explained and defined for nonprofit organizations. It is doubtful that any single nonprofit organization is currently able to assess itself as having reached these extraordinarily challenging levels of quality and excellence. However, it does illustrate the current "ideal" level of achievement and integration among functional areas toward which nonprofit organizations should be striving. The extent to which these levels are achieved and sustained over time is the measure of the organization's overall health and viability. In addition, it provides its leaders with some idea of the organization's survivability and sustainability in today's challenging, competitive, and fast-changing environment.

## (A)   EFFECTIVENESS

An effective organization, regardless of the sector in which it operates, has a valid purpose that is continually adjusted to its surroundings and context as it focuses on how to accomplish the customer-focused mission. Management effectiveness includes the overall area of *strategic planning development* that deals with the organization's strategy development process. Strategic objectives, action plans, and related human resource plans that strengthen both organizational performance and help it achieve a self-sustaining position are included, as well as those approaches and techniques used to develop the organization's strategy deployment process, including key short- and longer-term action plans.

   *Customer, client, and public service focus* includes the assessment processes needed to determine and target customer and client groups and/or market segments. As competition for finite resources sharpens, it is increasingly important to long-term survivability for nonprofits to determine and project key client/customer requirements and their relative importance/value to customers in terms of marketing, service planning, and delivery. On the back end of that objective are the techniques and approaches used to determine customer satisfaction and build relationships, including processes, measurements, and data used to determine client satisfaction and how to incorporate this information into strategic decision making.

   *Public service provider or business results* are needed and used to determine and influence current levels and trends of customer/client satisfaction and key measures and/or indicators of service performance.

### *(i)   Strategic Planning*
The strategic planning functional area addresses strategic and business planning and deployment of plans, with a strong focus on client/customer and operational performance requirements. For SRO leaders, the emphasis here is that customer-driven quality and operational performance excellence are key strategic business issues that need to be an integral part of organization planning. Specifically:

- Customer-driven quality is a strategic view of quality. The focus is on the drivers of customer satisfaction—a key factor in business success.
- Operational performance improvement contributes to short-term and longer-term productivity growth and cost/price competitiveness. The focus on building operational capability, including speed, responsiveness, and flexibility, represents an investment in strengthening competitive fitness.

An important role for SRO leaders is to ensure an effective focus for daily work, aligning it with the organization's strategic directions. In particular, planning is needed to:

- Understand that key customer and operational requirements should serve as input to setting strategic directions; this will help ensure that ongoing process improvements will be aligned with the organization's strategic directions.
- Optimize the use of resources and ensure bridging between short-term and longer-term requirements that may entail capital expenditures, training, and so on.
- Ensure that deployment will be effective—that there are mechanisms to transmit requirements and achieve alignment on three basic levels: the organization/executive level, the key process level, and the work-unit/individual-job level.

### (ii)   Strategy Development

Self-renewing organizations develop their view of the future, set strategic directions, and translate these directions into actionable key business drivers, including customer satisfaction. Effective leadership in fulfilling these functions is critical and determines the organization's operational effectiveness.

Every organization is affected by key influences, challenges, and requirements that can alter its future opportunities and directions. Leaders of SROs take as long a view as possible, emphasizing the importance of a thorough and realistic context for the development of a customer/client and market-focused strategy to guide ongoing decision making, resource allocation, and organization-wide management.

Strategy and plans are translated into actionable key business drivers, which serve as the basis for operationalizing and deploying plan requirements. This translation often includes a determination of those activities the organization should perform itself and those for which it might utilize or seek partners. The SRO places a high priority on evaluating and improving its strategic planning and plan deployment processes. This can involve input from work units regarding key deployment factors: effective translation and communications of strategy and plans, adequacy of resources, and identification of key new needs by clients/customers.

SRO leaders are focused on developing a competitive strategy and on operationalizing this strategy. Operationalizing the strategy in the form of key public service/business drivers requires clear and measurable performance objectives. These objectives guide the design and management of key processes. The objectives often align organizational systems (e.g., communications, compensation, recognition) with performance objectives.

SRO leaders place high priority on the organization's key business drivers and how these drivers are translated into an action plan. This includes spelling out key performance requirements; alignment of work unit, supplier, and/or partner plans; how productivity, cycle time, and waste reduction are addressed; and the principal resources committed to the accomplishment of plans (see Exhibit 1.4).

### (iii)   Customer Focus and Satisfaction

Customer focus and satisfaction is the functional area dealing with the need to understand in detail the voices of customers and the marketplace or operating environment. Much of the information needed to gain this understanding comes from measuring results and trends. Such results and trends provide hard, quantifiable information on customers'

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### EXHIBIT 1.4 Strategic Planning Characteristics of Self-Renewing Organizations

- Sound, systematic, well-documented, effective process used throughout organization to develop business strategies, business plans, key business drivers for overall operational, financial performance
- All appropriate staff, clients, customers, volunteers, suppliers/partners participate fully in planning process
- Strategy development considers organization's vision, customer-driven values and expectations; includes risk analysis, organization capabilities, supplier/partner capabilities
- Strategies, business plans translated into actionable key business drivers used for deployment throughout organization, to key suppliers/partners; managers, staff, volunteers are held accountable for attaining major targets throughout organization; staff know how their work unit contributes to overall business success
- Systematic procedure used to continuously evaluate strategic planning, plan deployment processes; improvements in processes made on ongoing basis
- Specific business drivers derived from strategic directions translated into actionable plan throughout organization; includes key performance requirements, operational performance measures, productivity improvement, cycle time reduction, waste reduction: work unit, supplier/partner plans fully aligned
- Top priority given to deployment of plans, improvement targets as evidenced by extensive resource commitment to ensuring plan success
- Outstanding product/service quality, operational performance projected for key business areas when compared with key benchmarks

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views and their marketplace behaviors. This knowledge then serves as a useful foundation on which SRO leaders can establish priorities and focus improvement activities. Subsequent results and trends offer the means to determine whether or not priorities and improvement activities are appropriately directed.

A quality-focused organization determines current *and* emerging customer requirements and expectations. This is not a one-time process. Many factors may affect customer/client preferences, needs, and loyalty, making it necessary to listen and learn on a continuous basis.

The SRO has established a process to determine current and near-term requirements and expectations of clients/customers. This includes the completeness of the client/customer pool, including recognition of segments and customers of competitors. There is sensitivity to specific product and service requirements and their relative importance to client/customer groups. Validity of the data should be confirmed by use of other data and information such as complaints.

The SRO addresses future requirements and expectations of customers—its key listening and learning strategies. Such strategies depend significantly on the nature of the organization's services or products, the competitive environment, and relationships with clients/customers. The listening and learning strategies selected should provide timely and useful information for decision making. The strategy should take into account the organization's competitive strategy. For example, if the organization customizes its services, the listening and learning strategy needs to be backed by a responsive, capable information system—one that rapidly gathers information about customers and makes this information available where needed throughout the organization. Increasingly, Internet technologies will be used in this process, creating an organizational *intranet.*

Evaluating and improving processes to determine customer requirements and expectations is important. Such an evaluation/improvement process could entail a variety of approaches—formal and informal—that seek to stay in close touch with customers and with issues that bear on customer preference. The purpose of these evaluations is to find reliable and cost-effective means to understand customer requirements and expectations on a continuous basis.

The SRO provides effective management of its responses and follow-ups with customers. Relationship management provides a potentially important means for organizations to gain understanding about, and to manage, customer expectations. Also, frontline staff or volunteers will provide vital information relating to building partnerships and other longer-term relationships with clients/customers. In addition, the SRO provides easy access for customers specifically for purposes of seeking information or assistance and/or to comment and complain. Complaints are promptly and effectively resolved, including recovery of customer confidence. In addition, the organization learns from complaints and ensures that production/delivery process employees receive information needed to eliminate the causes of complaints.

The SRO follows up with customers regarding products, services, and recent transactions to determine satisfaction, to resolve problems, and to gather information for improvement or for new services. The SRO evaluates and improves its customer response management with several types of improvements, including improving service standards, such as complaint resolution time and resolution effectiveness, and improving the use of customer feedback to improve production/delivery processes, training, and hiring.

Satisfaction relative to competitors is determined. Such information can be derived from organization-based comparative studies or studies made by independent organizations. The purpose of this comparison is to develop information that can be used for improving performance. The SRO evaluates and improves its processes and measurement scales that it uses to determine customer satisfaction *and* satisfaction relative to competitors. This evaluation/improvement process draws on other indicators such as customer dissatisfaction indicators (e.g., complaints). The evaluation also considers how well customer satisfaction information and data are used throughout the organization. Usefulness to the leadership can be enhanced if data are presented in an actionable form meeting two key conditions: (1) survey responses tying directly to key business processes and (2) survey responses translated into cost/revenue implications.

Customer satisfaction and customer dissatisfaction are not the same and require different measures. Customer satisfaction measures can include information on customer retention and other appropriate evidence of current and recent past satisfaction with the organization's products and/or services, such as customer awards. Customer dissatisfaction measures and/or indicators depend on the nature of the organization's services or products. For example, an organization's survey methods might include a scale that uses ratings such as "very dissatisfied" or "somewhat dissatisfied."

The reason for including measures of both satisfaction and dissatisfaction is that they usually provide different information. The factors in high levels of satisfaction may not be the same factors as those that relate to high levels of dissatisfaction. In addition, the effect of individual instances of dissatisfaction on overall satisfaction could vary widely depending on the effectiveness of the organization's resolution ("recovery") of a problem.

Customer satisfaction relative to similar providers should be measured and known where possible (see Exhibit 1.5).

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### EXHIBIT 1.5  Customer Focus and Satisfaction Characteristics of Self-Renewing Organizations

- Comprehensive, documented system for determining current, near-term customer requirements/expectations used throughout organization
- Methods used to obtain knowledge of customer requirements/expectations elicit comprehensive set of quality features for products/services, relative importance of these features; other key data (e.g., complaints) used to support determination of features' importance
- Future customer requirements/expectations addressed throughout organization; listening/learning strategies used to determine future requirements/expectations
- System, processes for determining customer requirements/expectations evaluated, improved on ongoing basis
- Information readily accessible to all customers to enable them to seek assistance, comment, complain
- Most processes/transactions that bring employees in contact with customers identified throughout organization
- Service standards aimed at exceeding customer expectations; deployed to all employees needing such information, tracked throughout organization
- Effective feedback systems provide knowledge from customers about products/services, recent transactions
- Formal, informal feedback/complaints received by all organization units resolved effectively, promptly; complaint management process ensures effective recovery of customer confidence, meets customer requirements for effective resolution, eliminates causes of complaints
- Organization consistently follows up with customers on products/services and transactions to determine satisfaction, resolve problems, seek feedback for improvement, build relationships
- Customer service standards, including access and complaint management, reviewed and revised on ongoing basis
- Data from customer feedback systems aggregated, evaluated, used throughout organization to improve customer relationship management
- Feedback systems providing knowledge about customers improved on ongoing basis
- Comprehensive set of approaches used to determine customer satisfaction with products/services, their delivery throughout organization
- Comparisons of customer satisfaction for similar providers determined for major products/services, some other products/services
- Methods for determining customer satisfaction and customer satisfaction relative to similar providers evaluated, improved on ongoing basis
- Key customer satisfaction results sustained at very high level, consistent improvement each year for last five years
- Key customer dissatisfaction results sustained at very low levels for last five years
- Customer satisfaction comparisons with similar providers are outstanding

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### *(iv)   Public Service Provider Results*

Public service provider or business results is the term used to describe another vitally important leadership responsibility in the SRO: ensuring a results focus for all processes and process improvement activities. The objective of this unrelenting focus is to maintain

a dual purpose—superior value of offerings as viewed by customers and the public, and superior organizational performance as reflected by productivity and effectiveness indicators. The initiatives included within business results provide "real-time" information (measures of progress or effectiveness) for evaluation and improvement of processes, aligned with overall business strategy.

SRO leaders monitor current levels and trends in product and service quality using key measures and/or indicators of such quality. They select measures and/or indicators that relate to requirements of importance to the client/customer and to the public (marketplace).

Correlation between quality and customer indicators is a critical management tool—a device for focusing on key quality requirements. In addition, the correlation process may reveal emerging or changing market segments, changing importance of requirements, or even potential obsolescence of products and/or services.

Comparative information is developed to enable results reported to be evaluated against competitors or other relevant markers of performance. Some information addresses factors that best reflect overall organization operational performance. Such factors are of two types: generic (common to all organizations) and business-specific. Generic factors include financial indicators, cycle time, and productivity, as reflected in use of labor, materials, energy, capital, and assets. Generic factors also include human resource indicators such as safety, absenteeism, and turnover. Productivity, cycle time, or other operational indicators should reflect aggregate organization performance.

Business- or organization-specific effectiveness indicators vary greatly throughout the sector. However, typical examples include rates of invention, environmental quality, percentage of acceptance of recently introduced products or services, and shifts toward new segments.

Supplier performance results are important considerations. These address current levels and trends in key measures and/or indicators of supplier performance. Suppliers are external providers of materials and services, upstream or downstream from the organization. The focus should be on the most critical requirement from the point of view of the organization—the buyer of the products and services. Data reported and assessed should reflect results by whatever means they occur, via improvements by suppliers within the supply base, through selection of better-performing suppliers, or both.

Measures and indicators of supplier performance should relate to all key requirements—quality, delivery, and price. SRO leaders also develop and use comparative information so that results reported can be evaluated against competitors or other relevant markers of performance (see Exhibit 1.6).

The overall objective of this chapter is to introduce the handbook and to provide some answers to the challenges of achieving and sustaining excellence in our organizations. Previous discussion in this section has focused heavily on defining excellence based on the first of three fundamental categories of organizational management: effectiveness, efficiency, and organizational environment. The remainder of this section moves from "How do we recognize and define excellence?" to "How can we achieve and sustain excellence in our organization?"

## (B) EFFICIENCY

Efficient organizations perform well and economically, as evidenced by reduced waste of time, energy, and materials. These objectives are achieved through efficient resource development, process improvement, and resource conservation. Management areas that

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**EXHIBIT 1.6  Public Service Provider Results Characteristics of Self-Renewing Organizations**

- Key measures of service or product quality demonstrate exceptional results over past five years
- Current levels of service/product quality are comparable to recognized leaders for similar products/services
- Key measures of operational/financial performance demonstrate exceptional results over the past five years
- Current levels of operational/financial performance are comparable to recognized leaders for similar activities
- Quality performance of major suppliers improving over past five years; performance comparable to recognized leaders

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contribute to overall organizational efficiency include process management and information and analysis.

*Process management* ensures that the complex and interactive series of actions needed to develop and deliver our public services do so in ways that conserve resources, satisfy clients and customers, and meet changing client/market requirements. *New technologies* must be continually evaluated; if validated for their contributions to increased efficiency, they should be incorporated into services and systems in ways that improve customer satisfaction and/or efficiency. Throughout our organizations, we need to be continually alert and proactive to assess, design, and improve processes that maximize quality, transfer of learning, cost control, productivity, and other efficiency/effectiveness factors.

*Information and analysis* approaches help us design and install performance measurement systems that help our leaders understand, align, and improve organizational performance at all levels and throughout the organization. The challenge is to select measures and indicators that accurately track organizational performance. That information, in turn, helps us link the results of our organizational-level analysis to improved client services delivery and other public service goals.

## (i)  *Process Management and Improvement*

Effective process management is a critical function for all SROs, requiring effective design, a prevention orientation, evaluation and continuous improvement, linkage to suppliers, and overall high performance (Exhibit 1.7). Virtually all organizations design and introduce products or services. Some do so with great frequency; others, once in the proverbial "blue moon." How the organization goes about designing and introducing products and services says a lot about its health and future prospects in a highly competitive world.

For the SRO, a major focus in this functional area is the rapid and effective integration of production and delivery *early* in the design phase. This integration helps minimize downstream problems for clients or customers and reduces or eliminates the need for design changes that will be costly to the organization. Leaders of SROs pay close attention to three important aspects of this process:

1. The translation of customer requirements into design requirements for products and services
2. How these product and service design requirements are translated into efficient and effective production/delivery processes

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**EXHIBIT 1.7  Process Management Characteristics of Self-Renewing Organizations**

- New, improved products/services, processes are designed to exceed customer expectations
- Measurement systems are designed to track process performance throughout organization
- Customer/quality requirements reviewed by appropriate organizational units, suppliers, and partners to ensure integration/coordination/capability
- Initial designs reviewed, validated based on variety of performance, capability considerations throughout organization
- Key designs/processes evaluated to meet customer, quality, and operational performance requirements
- Key production, delivery processes managed throughout organization to meet design plans; measurement plan and measurements used to maintain process performance
- Appropriate analytic methods and measurements used throughout organization to identify, solve problems that disrupt production, delivery processes; corrections systematically verified
- Key production, delivery processes improved throughout organization to achieve better quality, cycle time, operational performance; wide range of techniques used, including process simplification, process research/testing, benchmarking, customer information, alternate technology
- Key support service processes designed and managed throughout organization to meet customer, quality, operational performance requirements; measurements used to maintain process performance
- Support design parameters addressed early in process by appropriate organizational units to ensure integration/coordination/capability
- Appropriate analytic methods used throughout organization to identify, solve problems that disrupt support service processes; corrections systematically verified
- Key support service processes improved throughout organization to achieve better quality, cycle time, operational performance requirements; wide range of techniques used, including process simplification, process research/testing, benchmarking, customer information, alternate technology
- Quality requirements defined throughout organization for expected supplier performance; performance feedback systematically communicated to suppliers
- Quality is primary consideration when selecting suppliers
- Systematic approaches used throughout organization to evaluate and improve supplier performance; supplier abilities, procurement process, inspection/audit costs considered

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3. How all requirements associated with products, services, and production/delivery processes are addressed early in the design process by all appropriate organization units to ensure integration and coordination. Effective design must take into account all stakeholders in the value chain.

The design of products, services, and processes should meet customer requirements. However, truly effective design must also consider cycle time and productivity of production and delivery processes. This usually includes detailed mapping of service processes to achieve efficiency as well as to meet customer requirements.

Prior to full-scale operation, any product, service, production, or delivery process design should be reviewed and tested in detail. This ensures that all parts of the production/delivery system are capable of performing according to design. This stage is a crucial one. Positive or negative customer reactions and potentially high cost to the organization are virtually assured if preoperation changes are significant.

Following the initial process design, the manner of designing the process should be evaluated and improved to progressively better quality and cycle time. This means that SROs extract lessons learned to build capabilities for future designs. Their evaluation might take into account delays and problems experienced during design, feedback from those involved, and postoperation problems that might have been averted through better design. Evaluation and improvement should strive for a continuous flow of work in the key design and delivery processes.

Another important function is that of monitoring and evaluating process performance to ensure that processes perform according to their design. Leaders require such information as a description of the key processes and their specific requirements and how performance relative to these requirements is known and maintained.

A process performance measurement plan requires the identification of critical points in processes for measurement or observation. Implied in this plan is that measurements or observations be made at the earliest points in processes to minimize problems that may result from variations from expected (design) performance. When measurements or observations reveal variations, a remedy—often called *corrective action*—is required to restore the performance of the process to its design performance.

Depending on the nature of the process, the correction could involve technical or human factors or both. Proper correction involves correcting at the source (root cause) of the variation. *Note:* In some cases, customers may directly witness or take part in the process and contribute to or be a determinant of process performance. In such cases, variations among customers must be taken into account in evaluating how well the process is performing. This is especially true of professional and personal services.

In the SRO, processes are improved to achieve better performance—meaning not only better quality from the customer's perspective, but also better operational performance (productivity) from the organization's perspective. Key support service processes are based on the requirements of the organization's external customers and of other units (internal customers) within the organization—those within the organization who use the output of the process. These processes are also measured, evaluated, and improved.

The performance of external providers of goods and services is another functional area that requires effective management. Such management is increasingly built around longer-term partnering relationships, particularly with key suppliers. Certain basic information on the organization's principal requirements for its key suppliers is required, as are the expected performance and measurements used to assess performance, how the organization determines whether its requirements are being met, and how performance information is fed back to suppliers. Here, SRO leaders evaluate and improve supplier management in three elemental areas:

1. Improving supplier abilities to meet requirements
2. Improving its own supplier management processes
3. Reducing costs associated with the verification of supplier performance

For many organizations, suppliers are an increasingly important member of the complex team needed to achieve not only high performance and lower-cost objectives,

but also strategic objectives. For example, key suppliers might provide unique design, integration, and marketing capabilities. Exploiting these advantages requires joint planning and partner relationships to ensure longer-term planning horizons and customer–supplier teams.

## (ii) Information and Analysis

Information and analysis includes all key information needed to drive the improvement of overall performance. The objective of this functional area is to bring about the alignment of the organization's information system with its strategic directions. Performance can be improved, if key processes are analyzed and improved. This requires the identification and analysis of key information (Exhibit 1.8). Leaders must ensure that the organization selects and manages key information and data that support overall business goals. Primary emphasis during this process must be on actions and initiatives that support process management and performance improvement.

Information and data are selected for use based on their strategic importance; they are managed most effectively when they can be rapidly accessed and updated; in turn, these factors contribute strongly to their reliability. Leaders of SROs are concerned with how the organization evaluates and improves its selection, analysis, and management of information and data. They ensure an emphasis on alignment with business priorities, support of process management, and feedback from information and data users. Their evaluation should take into account factors such as paths of data use, extent and effectiveness of use, gaps, sharing, and organization of information and data.

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**EXHIBIT 1.8  Information and Analysis Characteristics of Self-Renewing Organizations**

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- Criteria for selecting data/information for use in quality, operational performance improvement are integrated and used throughout the organization
- Key data/information relating to key public service/business drivers are used to improve quality and operational performance throughout organization
- Processes and technologies are used throughout the organization to assure that information collected is reliable, consistent, valid, and readily accessible in response to user needs
- Processes are in place to evaluate and improve the information and data system supporting the improvement of organization performance; reviewed on an ongoing basis
- Benchmarking process established based on needs and priorities and aligned with overall organization improvement targets; data used to establish stretch targets and/or support breakthrough approaches throughout organization
- Most areas use benchmark/comparison data, including product and service quality, support service processes, staff, volunteer, supplier-related activities
- Organization evaluates and improves its benchmarking process on an ongoing basis
- Performance, customer/client data aggregated with other key data, analyzed, translated into usable information to support reviews, business decisions, planning throughout the organization
- Performance data aggregated with other key data, analyzed, and related to financial indicators of performance; information used to set priorities for improvement actions throughout organization

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Information and data are most frequently selected based on their utility to effectively manage performance. However, information, data, and information technology often have strategic significance as well. For example, information technology can be used to build and disseminate vital knowledge about customers and markets—creating the ability to operate more successfully.

Data and information related to competitive position and to best practices serve as external drivers of improvement, giving this information both operational and strategic importance. Of course, the organization should not only select and use this information, but also consider how it evaluates and improves the processes it uses to do so.

The basic premises here recognize the fact that:

- Organizations need to "know where they stand" relative to competitors and to best practice performance for similar activities.
- Comparative and benchmarking information provides the impetus for significant (breakthrough) improvement and alerts organizations to competitive threats and new practices.
- Organizations need to understand their own processes and the processes of others before they compare performance levels.

Carefully selected and analyzed benchmarking information may also be very helpful to support business analysis and decisions relating to core competencies, alliances, and outsourcing.

Organization-level analysis is the principal basis for guiding an organization's process management toward business results. Despite the importance of individual facts and data, they do not usually (in the SRO) provide a sound basis for actions or priorities.

Action should be undertaken only after an understanding has been achieved between cause–effect connections among processes and between processes and business results. Process actions often have many resource implications; results may have many cost and revenue implications as well. Because resources for improvement are limited, and cause–effect connections are often unclear, most organizations face a critical need to provide a sound analytical basis for decisions.

Data and information from all parts of the organization must be aggregated and analyzed to support reviews, business decisions, and planning. SRO leaders ensure that the focus remains on two key areas of performance: customers and operational performance. Analyses use both nonfinancial and financial data, connected to provide a basis for action. For many nonprofits, a particularly important analysis objective is that of linking customer data, improvements in product and service quality, and improvements in operational performance to improvement in financial indicators—guiding the selection of improvement efforts and strategies, to achieve revenue growth, and to reduce operating costs.

## (C) EVOLUTIONARY ORGANIZATIONAL ENVIRONMENT

At times, effectiveness versus efficiency initiatives create a push–pull within the organization that can create damaging, even destructive currents. To keep this normal give and take from dividing the organization into "them and us" camps requires an overall organizational environment able to adapt to changing conditions, manage change effectively, transition to new states, and turn in new directions—in short, to constantly evolve. The

management areas that deal with creating and sustaining the evolutionary environment include:

- *Leadership,* the setting, communicating, and deploying of organizational values and expectations, including how senior leaders use organizational performance to improve effectiveness throughout the organization.
- *Human resource focus* that encourages and motivates staff and volunteers to develop and use their full potential. This is enhanced by designing, organizing, and managing jobs and services to enhance cooperation, collaboration, individual initiative, innovation, and flexibility.
- *Staff and volunteer performance management* approaches are needed that support high performance. Recruiting, orienting, and training staff and volunteers using key performance requirements, diversity, and fair work practices.
- *Education and training* approaches that achieve organizational objectives, build staff/volunteer knowledge, skills, and capabilities and contribute to improved performance.
- *Creating and sustaining an organizational environment* that contributes to the well-being, satisfaction, and motivation of all staff and volunteers.

## *(i) Leadership*

This excellence category includes the organization's leadership system, strategic directions, and expectations (Exhibit 1.9).

In any SRO, senior leaders fulfill key roles—those that cannot be delegated to others. These vital roles include setting the organization's strategic directions, and building and maintaining a leadership system conducive to high performance, individual development, and organizational learning. Truly effective leaders at all levels of the organization, however, take into account all stakeholders, customers, employees, suppliers, partners, the public, and the community.

Major aspects of leadership include creating values and expectations, setting directions, developing and maintaining an effective leadership system, and building the organization's capabilities. Senior leaders need to reflect these values, and the leadership system needs to include teamwork at the executive level.

Senior leaders within the SRO devote significant time and attention to evaluating and improving the effectiveness of the organization and its leadership system. This function of leadership is crucial, due to the fast pace of competition. A major objective is to create organizations that are flexible and responsive—changing easily to adapt to new needs and opportunities. Both leadership and organization are crucial to high performance. Through their roles in strategy development and review of organization performance, the senior leaders adapt leadership (creation and management of change) and the organization (vision, mission, customer focus) to changing opportunities and requirements.

In the SRO, the leadership system is translated into an effective overall organization structure and management system focused on performance. The SRO's management and work processes support its customer and performance objectives. Senior leaders are alert to identify functional or management barriers that could lead to losing sight of customers or create ineffective or slow decision paths. They take strong measures to ensure alignment of organization units.

The SRO's values, expectations, and directions are "made real" throughout the organization via effective communications. Senior leader communications are necessary for

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## EXHIBIT 1.9  Leadership Characteristics of Self-Renewing Organizations

- All senior leaders personally, visibly, proactively involved in broad range of quality-related activities; significant time devoted to these activities
- Senior leaders create a vision, quality values, customer focus orientation
- Senior leaders fully participate in setting organization's performance excellence goals through strategic, business planning
- Senior leaders devote extensive time to reviewing organization's customer, operational performance
- Extent to which vision, quality values, customer focus orientation have been adopted is evaluated and improved on ongoing basis
- All senior leaders use a variety of methods to communicate and reinforce vision, quality values, customer focus orientation to staff and volunteers; communication is two-way, clear, open, covers all issues
- Effective strategies involve leaders throughout organization in quality-related activities; roles, responsibilities, accountability clearly defined; extensive cooperation among units encouraged, evident
- Senior leaders, union leaders actively participate in planning, attaining quality goals; mutual support visible throughout organization, reinforced through communications, partnering
- Partnering relationships exist with major customer groups, suppliers, others; number of mutually supportive activities expanding in support of quality, performance goals
- Vision, quality values, customer focus orientation effectively communicated inside, outside organization
- Documented review process of organization's quality, operational improvement plans used throughout organization; results used to implement strategies to improve organization-wide performance
- Quality goals and objectives directly address public health, safety, environmental protection, ethical conduct; accountability for achieving goals, objectives clearly established; improvement efforts throughout organization reflect this commitment; these quality goals, objectives go beyond minimum legal/community standards
- Organization recognized as outstanding citizen in its key communities; senior leaders, staff, volunteers share talents/expertise with community

effective overall communications. Making values, expectations, and directions real demands constant reinforcement and "truth testing," as employees observe whether stated values and expectations are actually the basis for organization actions and key decisions.

Senior leaders review organization and work unit performance and ensure that important work process assessments are included in these reviews. The information they assess addresses important aspects of reviews—types, frequency, content, uses, and who conducts them, which will vary greatly, depending on many factors. Most commonly, the review system blends ongoing (real-time) and periodic reviews.

As the President's Quality Award points out in its award criteria: Reviews offer an effective means to communicate and reinforce what is really important, how performance is measured, and how well business objectives are being met. Important considerations in reviews are the content and organization of information to foster learning and to stimulate action. This means that reviews should include nonfinancial and financial information

that together present a clear picture of status and trends relative to the organization's key business drivers. Reviews also provide an effective means to assist units that may not be performing according to expectations.

Public responsibility and corporate (organizational) citizenship are as important to nonprofit organizations as they are to private-sector organizations—how the organization integrates its public responsibilities and corporate citizenship into its business planning and performance improvement practices. Nonprofits, like public- and private-sector organizations, should be concerned about three basic aspects of public responsibility:

1. Making risk and legal requirements an integral part of performance improvement
2. Sensitivity in planning products, services, and operations to issues of societal concern whether or not these issues are currently embodied in law
3. Making legal and ethical conduct visible in the organization's values and performance improvement processes

Fulfilling public responsibilities means not only meeting all local, state, and federal laws and regulatory requirements, but also treating these and related requirements as areas for improvement "beyond mere compliance." This means that all SROs should maintain constant awareness of potential public impacts related to their products, services, and operations. Nonprofits, often the target of legal or regulatory action by public regulators or private corporations, must be diligent in exceeding the average in each of these categories.

SROs serve as a corporate citizen in their key communities. They are productive, reputable, and involved as members of different types of communities and serve as a positive influence on other organizations. They work within and outside their organization to strengthen community services, education, health care, and the environment and improve the practices of trade, business, and other community associations.

## *(ii) Human Resource Development and Management*

Human resource development and management is the functional area and focal point within any organization for all-important human resource practices—those directed toward the creation and sustainability of a high-performance workplace. A vital objective for SRO leaders is to address human resource development and management in an integrated way, aligning them with the organization's strategic directions. Strategic directions should address the development of all those involved in achieving the organization's mission and vision—staff and volunteers—within the context of a high-performance workplace. This requires a coordinated organizational strategy (Exhibit 1.10).

The overall human resource plan should be derived from the organization's strategic and business planning. Primary directions and resourcing must support its overall strategic directions. Senior leaders within the SRO endeavor to develop a multiyear context and guide for human resource planning, management, and evaluation.

As in any values-centered organization, the human resource development area uses the Plan–Do–Check–Act cycle to evaluate and improve overall planning and management. Employee-related and organization performance data and information are tied to overall evaluation of the organization's strategy and business results.

Care is taken to go beyond broad strategy to the essential details of human resource effectiveness. The evaluation needs to provide the organization's senior leaders with

## EXHIBIT 1.10 Human Resource Development and Management Characteristics of Self-Renewing Organizations

- Systematic, integrated HR plan is deployed throughout organization to develop workforce potential; it is linked to quality, operational performance improvement plans
- HR plan includes redesign to improve flexibility, innovation, rapid response to changing requirements; staff/volunteer development, education, training; changes in reward, recognition, recruitment
- HR planning is integral, fully aligned part of business planning process; systematically evaluated, improved on ongoing basis
- Employee-related data, organization performance data consistently analyzed, used to assess development, well-being of all categories, types of employees; assess linkage of HR practices to key business results
- Reliable, complete HR information is readily available for use in strategic, business planning
- Unions partner in development, implementation of HR plan where appropriate
- Work, job design promote high performance throughout organization by creating opportunities for initiative, self-directed responsibility; fostering flexibility, rapid response to changing requirements; ensuring effective communication across functions/units
- Working environment throughout organization supports increased empowerment, personal responsibility, appropriate risk-taking, creativity, innovation
- Managers throughout organization support employee contributions, teamwork; managers routinely exhibit coaching and facilitating behaviors, share authority
- Variety of formal and/or informal reward or recognition mechanisms used throughout organization for all levels and types of employees; developed in conjunction with employees; emphasis on recognition of teamwork
- Employees throughout organization provided feedback; evaluated, promoted, provided career opportunities based on personal development, contributions to quality, operational performance goals
- Systematic, documented education, training strategy deployed builds organization, employee capabilities
- Education, training consistently address key organization performance objectives and motivation, progression, development of all employees
- Education, training based on systematic needs assessment; employees, managers throughout organization provide input
- Special education, training designed to enhance high-performance work units
- Knowledge, skills consistently reinforced through on-the-job application throughout organization
- Education, training systematically evaluated, improved on ongoing basis using feedback from employees, customers; appropriate measures of effectiveness, extent of education, training used
- Extensive quality, skills training throughout organization; all employees trained in quality awareness; teams, work groups trained in appropriate quality tools, techniques in support of customer service, continuous improvement; cross-functional training commonplace
- Organization consistently maintains safe, healthful work environment; improvement efforts cover requirements, measures for all employee well-being factors (health, safety, ergonomics)
- Extensive services, facilities, activities, opportunities available to all employees to support overall well-being, satisfaction/enhance work experience, development potential
- Variety of measures used to determine employee satisfaction, well-being, motivation throughout organization; data consistently used to improve employee satisfaction, well-being, motivation on an ongoing basis

information on strengths and weaknesses in human resource practices and development that might bear on the organization's abilities to achieve its short-term and longer-term business objectives. For example, the evaluation should take into account the development and progression of all categories and types of staff and volunteers, including those newly joining the organization.

The evaluation should also monitor the extent to which education and training is deployed throughout the organization, and how well education and training support organization performance improvement. The overall evaluation will rely heavily on well-being and satisfaction factors.

Well-being considerations include the work environment, the work climate, and how they are tailored to foster the well-being, satisfaction, and development of all employees. Long-term well-being and productivity (not to mention legal and regulatory requirements) require a safe and healthful work environment.

SRO leaders' approach to enhance staff and volunteer well-being, satisfaction, and growth potential is based on a more holistic view of the organization's human resources as key stakeholders. They consider a wide variety of mechanisms to build well-being and satisfaction, from development, progression, employability, and external activities, to family or other community service activities.

Many factors might affect employee motivation. Although satisfaction with pay and promotion potential is important, these factors alone are not adequate to assess the overall climate for motivation, morale, and high performance. Therefore, the organization will consider a variety of factors relating to the work environment to determine the key elements of the organization's culture and internal environment. Those factors identified that inhibit motivation will be prioritized and addressed. Additional understanding of these factors is developed through exit interviews with departing staff and volunteers.

In the SRO, job design, compensation, and recognition approaches enable and encourage all employees to contribute effectively, operating within high-performance work units. The latter requires effective work design and reinforcement. The basic intent of such work design approaches should be to enable staff and volunteers to exercise more discretion and decision making, leading to greater flexibility and more rapid response to the changing requirements of the marketplace—in short, to be "empowered" with a combination of authority, responsibility, resourcing, and accountability.

Effective job design and flexible work organizations are necessary but in and of themselves may not be sufficient to ensure high performance. Job and organization design must be backed by information systems, education, and appropriate training to ensure that information flow supports the job and work designs. Also important is effective communication across functions and work units to ensure focus on customer requirements.

Incentives need to be aligned with work systems. Compensation and recognition should be structured and implemented to reinforce high-performance job design, work organizations, and teamwork. These are important considerations because there should be a consistency between the organization's compensation and recognition system and its work structures and processes. Compensation, benefits, and recognition may need to be based on demonstrated skills and evaluation by peers in teams and networks.

The SRO develops human resources via education, training, and on-the-job reinforcement of knowledge and skills. A major objective of "development" is meeting the needs of a high-performance workplace operating in a dynamic, highly competitive environment. Education and training need to be ongoing as well. Education and training serve as key vehicles to build organization and people capabilities. These two capabilities are, in fact,

investments the organization makes in its long-term future and the long-term future of people.

SRO leaders pay particular attention to how education and training are designed, delivered, reinforced, and evaluated, with special emphasis on on-the-job application of knowledge and skills. They recognize the importance of involving all levels and categories of people within the organization—staff, volunteers, managers—in the design of training, including clear identification of specific needs. This involves job analysis: understanding the types and levels of the skills required and the timeliness of training.

Evaluation of education and training is vital and should take into account the supervisor's evaluation, employee/volunteer self-evaluation, and peer evaluation of value received through education and training relative to needs identified in design. The evaluation process could also address the effectiveness of education and training delivery, impact on work unit performance, and costs of delivery alternatives.

## 1.7   Resources

The following is a list of resources found in this, the *Nonprofit Handbook: Management,* Third Edition, and in "sister" works such as its annual supplements and the *Volunteer Management Handbook.* These resources are organized into effectiveness, efficiency, and environmental areas. The descriptions of these "Additional Reading" resources attempt to outline major management issues and understandings that challenge leaders of nonprofits. In doing so, they underscore the complexities and sheer breadth of technical knowledge that face nonprofit organization leaders in today's highly competitive and constantly evolving operating environment.

### Management Environment

"Management Context of Nonprofit Organizations in the New Millennium: Diversity, Quality, Technology, Global Environment, and Ethics" by Joseph E. Champoux. All nonprofits operate in one of five critical contexts that will affect them significantly as we move into the next millennium. As we enter the twenty-first century, which is certain to be at least as challenging and dynamic as the last, it is increasingly important to anticipate wherever possible what is ahead for nonprofits and their leaders. As seen by Champoux, nonprofit leaders should pay particular attention to five broad contexts of critical importance: managing for quality, workforce diversity, technology, the global environment, and ethics. He observes, "Each context surrounds modern nonprofit organizations and presents major opportunities for the agile manager as we move into the next millennium." Workforce diversity, for example, will have a major impact on nonprofit operations because (1) managers will have no choice about managing for diversity, and (2) successfully managing for diversity is good business strategy. Another management context, quality management, will bring many benefits to nonprofit organizations that do not directly result from other approaches to management. Managers (executive directors, managers, program directors, administrators, development directors) should be able to use quality management techniques and processes to lower costs of providing a service, conduct research, start a social issues campaign, or manufacture a product. Service processes will function more dependably using quality management improvement techniques. Issues can be targeted and communicated more effectively. Employee, board, and volunteer commitment to continuous quality improvement will increase, Champoux points out, if they perceive benefits or results. The result can be

more loyalty to the organization, improved funding potential, easier volunteer and board recruitment, and more lasting social change. Continuous quality improvement can lead to better cooperation and clarity with outside contractors, suppliers, vendors, coalition partners, and the community as well. He concludes with implications that "suggest changing one's thinking about managing a nonprofit organization in the next millennium." Fortunately, his insights offer practical ways in which to guide nonprofit organizations into the twenty-first century. (*Nonprofit Handbook: Management*, Third Edition)

"Goverance Framework for Collaborations and Mergers" by Suzanne Feeney. In recent years, there has been an explosion of interest in nonprofits collaborating. Foundations are encouraging collaborations because they see them as being the answer to most nonprofit problems, that is, organizational inefficiencies, duplication of services, lack of management accountability, and the like. Government contractors are also enamored with collaborations, often requiring that nonprofits collaborate as a condition for receiving public money to deliver services. While the fascination with collaborations and increasingly with mergers continues, they are still not well understood. The collaboration label is no longer sufficient to describe the multitude of multiparty interorganizational relationships that are appearing everywhere in the sector. New labels include strategic alliances, federations, back-room consolidations, joint ventures, restructuring, cooperation, coordination, and mergers. This kind of linguistic alphabet soup has often exacerbated rather than clarified our understanding of collaboration. Most of the books and articles about collaboration focus only on explaining or describing the structures and processes of collaboration. They are helpful in that they provide a framework for thinking about collaborations and how best to engage or not engage in them. Feeney offers a list of "success factors" and a useful template for nonprofits contemplating partnering with other nonprofits to deliver services, consolidate administrative functions, or vie for public dollars to support their organizations' missions. (*Nonprofit Handbook: Management*, Third Edition)

"Change Leadership or Change Management?" by Jon Van Til and David A. Pettrone Swalve. As organizations ebb and flow within the dynamic setting of the third sector, change remains the constant. Change requires organizations to examine the quality and coverage of their existing products and services, reduce their expenses, locate new directions of movement, and develop new relationships, all the while nurturing their environment. Inevitably, organizations face deciding on the main determinant of change—usually, a dichotomous decision—change leadership or change management. Change is often asked for and needed in society and within organizations. Organizations face change from a variety of sources and directions. Forces can originate internally or externally. They include changing technological standards, shifting community needs, increasing client demands, and reduced funds for administrative expenses, as well as changes in the broader social structure. Regardless of its specific origin, change is a constant in the nonprofit world. Boards face a unique responsibility to understand the various relationships the organization maintains. As leaders, boards are challenged to find new directions and lead for positive change. Yet, leaders are found at all levels of the organization, and managers themselves must often serve as proactive change agents. Maintaining and nurturing an effective organization requires all members of the organization to be attuned to potential change, both within the organization and in relation to its clients, community, competition, and the private and public sectors. Leaders and managers that comprehend the change process can foster a "natural state" of change for third-sector organizations. (*Nonprofit Handbook: Management*, Third Edition)

"A Hundred-Year Horizon: Considering Sustainable Development in the Nonprofit Sector" by Keith Seel. The belief that an organization, or any part of our society, including the nonprofit sector, is sustainable is taken for granted. Unless they are in imminent danger of collapse, most organizations anticipate that they will be present and operating in their communities in the future. Many processes, such as strategic planning, scenario planning, forecasting, and the like, are specifically designed to help an organization consider its future and find ways to grow and expand its activities. Yet numerous factors are converging that raise questions about whether current structures—organizations, communities, and economies—are in fact sustainable. For managers in the nonprofit sector, the topic of sustainable development may appear to be better addressed by the corporate sector, particularly large resource companies or manufacturers. Yet at a personal level each of us knows the importance of the 3Rs—reduce, reuse, and recycle—the basic philosophy of sustainable development. If sustainable development concepts have a role to play in the business sector and in our personal lives, there should be elements that also apply to how the nonprofit sector is managed and operates. Seel explores and explains the application of sustainable development concepts to nonprofit sector management and operations. (*Nonprofit Handbook: Management*, Third Edition)

"Using Multisource Feedback to Improve Performance" by Milena M. Meneghetti. Multisource feedback (MSF), the process of gathering information about the work-related effectiveness of an employee from a wide variety of sources, is the important management tool for nonprofit leaders explained and developed by Meneghetti. This important management technique uses a standard behavior-based tool based on a job or role analysis, plus sources of feedback (including peers, professional colleagues, clients, subordinates, team members, and supervisors), a self-assessment, and, finally, aggregated results—to provide comprehensive and more objective, useful performance management results. Today's nonprofit managers, she points out, understand the need to seek out feedback about their employees or volunteers from others. However, they are often unable to gather this feedback effectively. MSF is a critical tool for gathering relevant, valid feedback. Complete or partial ownership of the "results" is handed over to the employee or volunteer, who is in the best position to respond to that feedback constructively. The end result is more effective management of performance. (*Nonprofit Handbook: Management*, 1999 Supplement)

### *Organizational Identity and Focus*

"Ethics and Values in the Nonprofit Organization" by Melina M. Meneghetti and Keith Seel. Nonprofit leaders fulfill vital and complex roles within the nonprofit sector. Often, they are forced to balance interests of staff, volunteers, board, and clients, and in the process face a complex landscape of frequently conflicting values. If they are to meet the challenges of the twenty-first century, they must be equipped with the ethical sensitivity to identify potential issues, the decision-making competency to navigate them, and the conviction to help resolve them. This chapter discusses the unique nature of values and ethics in nonprofit organizations, then moves to more specific areas of managerial concern, including professional codes of ethics, ethics and the management of human resources (including volunteer resources), and ethics as a basis for policy and partnerships. It introduces an ethical decision-making model that will assist the nonprofit leader to resolve even the most complex ethical issues. (*Nonprofit Handbook: Management*, Third Edition)

## Customer Focus and Satisfaction

### Marketing and Communications

"Marketing" by Eugene M. Johnson and M. Venkatesan. Marketing as a concept and as a management application is steadily broadening and now includes any transaction between an organization and its many publics. Marketing now applies to any social unit that seeks to exchange values with other social units. Products now include organizations, persons, places, and ideas, in addition to goods and services. This broadening concept of marketing includes "social marketing," the use of marketing principles and techniques to advance a social cause, idea, or pattern of behavior. These changes in marketing thought underscore the reality that marketing is applicable to all types of nonprofit organizations. Like all important management activities, marketing must be planned, organized, and controlled. Leaders of nonprofit organizations need to be knowledgeable about many fundamental aspects of marketing, including markets and buyer behavior, marketing intelligence, marketing management, marketing audits, marketing planning, and the marketing mix. (*Nonprofit Handbook: Management,* Third Edition)

"Commercial Ventures: Opportunities and Risks for Nonprofit Organizations" by Keith Seel. Increasing competition for funding, changes in government funding, financial sustainability and flexibility, and corporate marketing initiatives involving a nonprofit partner are some of the reasons that nonprofits are forced to consider commercial ventures. Yet, as Seel explains, nonprofits must be very careful when considering a for-profit endeavor. After outlining the pros and cons of such a venture, Seel provides six steps that help ensure success in commercial ventures. Of particular importance to nonprofit leaders is his review of frequently encountered commercial venture strategies, from strategic philanthropy and sponsorships to premiums, licensing, and sponsored advertisements. His case studies are valuable assessments of what went right and wrong with real-world ventures. He concludes by assessing and reviewing the risks involved for nonprofits. (*Nonprofit Handbook: Management,* Third Edition)

"Strategic Media Relations" by Eileen M. Wirth. Media relations is an integral component of any successful nonprofit's external communications plan. Most organizations believe they are "doing it right" when their staff responds to queries promptly and completely. However, as Wirth points out, "well-intentioned staff members too often confuse effort and output with results." Typically, nonprofits focus on *how* to get coverage and *how* to work with news organizations, but not *why.* Goal setting tends to be in terms of gaining attention, rather than furthering the organization's mission. Dr. Wirth defines the strategic approach to media relations as using those activities to achieve specific public relations goals. These goals, in turn, support the organization's overall mission and communications strategy. Developing a media relations strategy, identifying target audiences, research, media use analysis, message development, visual images, and evaluation approaches are reviewed and helpfully presented. (*Nonprofit Handbook: Management,* Third Edition)

"Contingency and Emergency Public Affairs" by Richard L. Thompson. Many nonprofit organizations, by the nature of their activities, operate in inherently hazardous environments. Other nonprofit organizations conduct "administrative" functions in an office setting. Regardless of the nature of operations, proper response to a contingency or emergency demands mature judgment and appropriate action, taken without hesitation

throughout the organization. One vital component of a nonprofit organization's response in a contingency or emergency is communication with concerned stakeholders. Public affairs contingencies and emergencies can include disruption of routine operations, computer failure involving breakdowns or hacking, or an accident involving injury or death. They may also include other occurrences that reflect badly on the organization, such as an employee drug abuse incident, fraud, mismanagement, improper hazardous waste disposal, and the like. The bottom line is that a public affairs contingency or emergency situation can be a real or perceived threat that has the potential to disrupt normal operations, prevent the nonprofit organization from attaining its goals, or cause an adverse reaction among stakeholders. Thompson provides guidance to assist organization leaders, managers, and their public affairs executives in meeting their public affairs responsibilities in a wide variety of contingencies—incidents, accidents, and other emergencies—including the essential "how to's" of surviving a public information crisis: what to do before and after the unimaginable crisis occurs. His point-by-point explanation of this vital skill could help you save your organization's credibility and public support when the worst happens. (*Nonprofit Handbook: Management*, Third Edition)

"Distance Learning for Nonprofit Organizations: Getting Started" by Janet Poley. We are living through a revolution our ancestors could not have imagined—a revolution of information. Many nonprofits are heavily involved in delivering education, training, and information services programs to their members using new and challenging technologies, including those collectively called distance learning (DL) or business television (BTV). For them, as for business organizations, DL/BTV is now seen as a key strategy to improve productivity and competitiveness, just-in-time learning, and communication. DL/BTV helps nonprofits cope with a competitive environment that changes on a daily basis. Poley incorporates her perspective as president of ADEC—A Distance Learning Consortium of state universities and land grant institutions providing high-quality and economic distance education programs and services via information technologies. The various types of distance learning, BTV, or videoconferencing are reviewed, as well as the major applications of these technologies to nonprofit organizations. While major potential benefits can accrue to nonprofits from their investments of money, time, and training in DL/BTV, key decision factors need to be considered before the decision is made to sponsor or participate in DL programs. Major program planning factors are outlined, and key factors in successful DL programs or applications are identified before moving ahead to cover effective marketing strategies and techniques. (*Nonprofit Handbook: Management*, Third Edition)

"Integrated Trade Show Planning and Operations" by Richard L. Thompson. A growing number of nonprofits are using trade shows and exhibits as outreach and marketing tools for their constituencies. Too often, trade show participation was seen as a "stand-alone" activity performed by specialists. Thompson outlines how and why trade show and exhibit operations should be an integral component of the overall marketing communications program, which includes advertising, public relations/constituent outreach, media relations, direct marketing, and trade shows. After outlining the process that successful nonprofits use to research and develop seamless, integrated marketing communications strategies, he moves to the practical aspects of trade show and exhibit planning and management, including invaluable checklists for practitioners. (*Nonprofit Handbook: Management*, 1998 Supplement)

*Information Management*

"Internet Strategy for Nonprofits" by Marlene Fox-McIntyre. As late as 1995, a Web site was a curiosity that few nonprofits were using, outside of the academic community. Since then, however, "the Internet has progressed from a novelty to a necessary business element. Every kind of organization imaginable can make use of the Internet today, not only to get its message out, but to get work done, increase revenues, provide better services to members and constituencies, and streamline day-to-day administrative functions." The question Fox-McIntyre answers is no longer whether nonprofits should go online, but "how to best leverage the Internet to compete effectively for your visitor's time, attention, and money." Thousands of nonprofits are already online. A few minutes of surfing will confirm what a wide range of approaches are being taken by these organizations. Very similar organizations take wildly divergent attitudes toward the purpose and functionality of their Web sites. The result is that some of these sites are showing dramatic successes, while most do little more than consume resources. After reviewing important Internet strategic elements—domain name, Web site presence, secure electronic commerce—she provides important tips on successful Internet marketing approaches that retain existing clients and attract new clients. Nonprofits can increase revenues using the Internet, and Fox-McIntyre offers valuable suggestions for online giving, planned giving, online sales, and other revenue enhancement activities. She concludes by covering Web site design considerations and implementation priorities—from costs and maintenance to common mistakes. (*Nonprofit Handbook: Management,* Third Edition)

"Management Implications and Opportunities of Global Communications" by Janet Poley. One of Theodor Geisel's last books as Dr. Seuss, *Oh, the Places You'll Go!* (1990), took us right into Hakken-Kraks Howl where "the weather is fowl," "enemies prowl," "up many a frightening creek." "Your arms get sore and your sneakers leak." Hakken-Kraks Howl provides an excellent metaphor for some of the murky underside of the Internet issues creating a storm today. Privacy, secrecy, security, and intellectual property are big issues, as Poley outlines. Nonprofit organizational managers, employees, and volunteers can quickly find themselves up to their behinds in alligators if these issues are ignored. Unfortunately, far less important items than these seize the headlines of newspapers and magazines daily. We can expect the weather to get stormier in Hakken-Kraks Howl on the way to development of more common norms, standards, practices, and laws internationally. Sensationalizing the virus du jour probably isn't nearly as important as explaining the messy, slippery processes that could ruin you, your organization, and the vision and mission you are pursuing. Some have called this the Wild West period of the Internet. Poley prefers Hakken-Kraks Howl. You may recall that Seuss took us to Hakken-Kraks Howl after we visited the most useless place of all—"The Waiting Place." Some major corporations and governments have a vested interest in keeping lots of people in the "Internet Waiting Place" because these companies are making money and many people remain ignorant about what the Internet is and how it really works. Nonprofit organizations have a responsibility to understand the big picture Internet world, not just dabble in e-mail, e-commerce, e-learning, or e-"anythingelseyoucanthinkof." When the Internet was simpler, it was referred to as the Information Superhighway, operating much like the nervous system of a vertebrate. Today this Hakken-Kraks Howl has multiple backbones, scattered burrows, ditches, indirect routes, and obstacles. This Internet place is a set of 100 or so long-range global networks that diversely link and transfer messages to and from more than 100,000 local networks. Some of these networks collaborate and share mutual interest;

others are in sharp proprietary rivalry. There are tens of millions of Internet users, including smart instruments that also make cyberspace reports.[2] For-profit companies are certainly going to offer e-sales opportunities in multiple languages. Nonprofits have interesting opportunities and challenges as the Internet becomes increasingly global. (*Nonprofit Handbook: Management*, Third Edition)

"Strategic Planning for Information Systems" by E. Brian Peach and Richie Platt. It sounds like a brand new language—and it is! JAVA. Network computers. Electronic commerce. Firewalls. In the maelstrom of today's digital information age, technological innovations bombard managers nearly as rapidly as the speed of light through a fiber-optic network. How can today's nonprofit leader keep up? How can the organization function competently when technology developments race forward, while the demands mount that budgets shrink almost as rapidly? Harnessing information and the systems designed to manipulate and control information can provide strategic benefits to nonprofits. In their timely chapter, Peach and Platt provide an outline for the nonprofit manager to use to help tame the uncontrolled growth in demand for the latest technology, while building an information systems strategic plan to carry the organization into the twenty-first century. Investment in technology is not a question of whether the investment will be made, and it is not really a question of when. The real question is how much the organization will invest and, more importantly, how it will plan its investment to provide the most strategic benefit. (*Nonprofit Handbook: Management,* Third Edition)

"Nonprofit Success on the Internet: Creating an Effective Online Presence" by Michael Stein. A growing number of nonprofits use the Internet today in unique and powerful ways to reach constituencies and supporters. Through well-crafted combinations of Internet activities, nonprofits are disseminating informational content, news, and alerts, and building a recognizable name online as trusted sources in its various issue areas. "Internet presence" is the comprehensive set of activities that a nonprofit organization engages in to use the Internet to meet its mission and advocacy goals. It can include a range of activities, such as building and maintaining a Web site; writing and distributing an e-mail newsletter; getting a Web site listed with search engines and directories; requesting reciprocal links with other Web sites; getting content placed with Web portals; holding online interactive events, such as chats and threaded discussion forums; running an e-mail "listserv" discussion; using digital audio and video for Webcasting; and more. Stein helps nonprofits think strategically about the complete range of activities that create an effective Internet presence. The traditional nonprofit approach on the Internet is having a Web site, keeping the content up to date, and driving traffic to its site. It has only been in the last few years that a broader definition of Internet presence has been adopted by nonprofits. The reality of the Internet today is far more complex than merely having a Web site and expecting traffic to come to it. This "build it and they will come" mentality has been superseded by a more active and aggressive approach to Internet promotion and marketing. The paradigm of "they will come" is being replaced by "we must go to them." This shift in perspective is a useful one and it works! For many nonprofit organizations using the Internet today, the greatest challenge has been to build, launch, and maintain a Web site. This focus on "Web-centrism" dominates a great deal of conversations at nonprofits. While building and maintaining a Web site is in and of itself not a bad focus of attention, a far greater challenge awaits. That challenge is to strategically integrate the Internet with the rest of the organization's mission and advocacy goals and to publicize and drive Internet traffic to the Web site, and more generally, to get the organization's "Internet presence"

into the limelight. Whether you are still in the planning stages or have a well-developed Web site and e-mail outreach campaign, it is never too late to do an Internet tune-up to improve Internet outreach, increase Web site traffic, find new avenues for content dissemination, build e-mail subscribership, and fully integrate the Internet with your organization's activities. A truly effective Internet presence is about bringing the Internet closer to the advocacy goals of the organization and finding ways to use it to communicate with supporters, allies, and friends. (*Nonprofit Handbook: Management*, Third Edition)

### *Technology*

"Emergent Technology and the Nonprofit Organization" by Elizabeth Power and Adam C. Hart, Jr. *Technology* refers to a broad spectrum of devices and processes. Before computers, Power and Hart point out, technology could have referred to an index card system of tracking or hardcopy tickler files. It was the system of communication with distant parties, whether through talking drums or horse-borne messages. With the advent of electricity and ultimately computers, technology has become synonymous with machines, rapid information processing, storage, and distribution. They address the everyday tasks faced by nonprofits in which technology most often supports three primary functions: fund raising, operations, and volunteer management. The same hardware and software may serve these and other functions required to support the organization. Emergent technology can be used and pay for itself in a short period of time, they explain during their assessment of such applications as:

- Satellite-based wide area networks (WANs) when cabling is not the best choice
- Computer-based video meetings for distance use (effective in overseas and domestic work, distance learning, video meetings, and to show marketing videos)
- User-friendly, low-cost telephones and call distribution that reduce dependence on the vendor by relying on plain-English, browser-based interfaces for changes and adjustments
- Wireless intelligent terminals that allow users to send and receive e-mail from a pager with a keyboard
- Voice recognition technology for word processing and other uses; allows input of data using the voice, the other side of text readers for people with visual impairments

Applying these technologies in both for-profit and nonprofit environments, they explain, need not be cost prohibitive, and in fact may result in recovery of investment in a far shorter time than expected. Projections of cost savings can (and should) be part of every technology proposal. The governing body should know when recovery of investment will occur, the projected usage over time, effectiveness, and cost–benefit ratios. Without this information, governing bodies should be reluctant to invest in technology. "It demonstrates to funding sources, persons served, the community of interest, and others that good sense and fiscal responsibility are present." (*Nonprofit Handbook: Management*, Third Edition)

"Building a Knowledge Marketplace: Best Practices to Create Learning Value in Cyberspace" by Janet Poley. Does the proliferation of new nonprofit organizations mean new opportunities for more players or just more weeds among a few flowers? The opportunity,

Poley suggests, is to create a "knowledge marketplace" within the *.org* domain that results in real value for individuals and communities around the world. Other communication media, such as digital broadcast satellite or satellite radio, might also become carriers for quality learning content, but the best current hope is the Internet. In a truly visionary overview, grounded with practical guidelines and pointers, Dr. Poley challenges nonprofit organization leaders to create "a knowledge marketplace rather than just a political cyberspace." Where organizations fit in the knowledge marketplace, including reaching informed nonusers and working in the international marketplace, is followed by a discussion of how to create partnerships with other nongovernment organizations, educational organizations, agencies, foundations, and businesses. After introducing the reader to "portals" and electronic commerce, Dr. Poley summarizes the state of the Internet and concludes with a succinct and highly useful ABCs of best practice. (*Nonprofit Handbook: Management,* Third Edition)

"Technology and Strategy for Organizational Effectiveness" by Marc S. Osten. Strategic technology planning is an ever-important discipline and process that is steadily evolving. Nonprofit organization leaders need to understand how strategic technology planning brings together the broader discipline of organizational planning and assessment with the increasingly important thrust of technology planning. Technology planning is thus fused, informed, and driven by the organizational planning process, resulting in a technology plan that is an authentic reflection of an organization's mission, priorities, and capacity. Several models of planning and evaluation are available to nonprofit organization leaders, each with important pros and cons that can affect organizational efficiency and effectiveness in programs and operations of nonprofit organizations. Strategic technology planning is an integral component of successful technology integration within a nonprofit. Organizations that do not utilize it often waste limited financial and human resources, in addition to not using technology appropriately or to its fullest potential. (*Nonprofit Handbook: Management,* Third Edition)

### *Public Service (Business Results)*

"Managing Organizational Growth" by Carolyn J. Curran. After comparing corporate and nonprofit organizations in terms of their organizational development (OD), this chapter moves to a handy self-diagnosis that provides models of organizational growth, stages of organizational growth combined, a checklist to identify an organization's growth stage and how to move to the next stage, a DNA pattern of organizational growth, and the challenges of one stage leading to solutions of the next. Nonprofits can draw on corporation OD to some extent, if appropriate guidelines are followed. Individual and organizational responses to change and the motivations for change must be balanced against practical discussions of resistances leaders can expect to change opportunities. Potential growth areas are outlined, and a practical prognosis for the effective use of OD approaches within nonprofit organizations is offered. (*Nonprofit Handbook: Management,* Third Edition)

"Lessons in Strategic Plan Implementation" by Marci Bernstein Lu, Christine Lucas, Valerie Raines, and John A. Yankey. Although strategic planning is now widely regarded as standard practice for a self-renewing organization, implementation remains the least understood phase of strategic management. Lu, Lucas, Raines, and Yankey bring together years of experience in strategic planning at the Mandel Center for Nonprofit Organiza-

tions at Case Western Reserve University. They address with solid utility the essentials needed for successful implementation, including readiness for strategic planning; developing a sound strategy; using consultants; coordinating strategy with budget cycle; developing an action plan; exercising strategic leadership; mechanisms to control, monitor, and review progress; keeping the plan in front of stakeholders; organizational culture; infrastructure and resources; implications for practitioners; and success indicators. (*Nonprofit Handbook: Management*, Third Edition)

## Efficiency

### New Revenue Sources

"Nonprofit Organizations as Entrepreneurs" by Ruthie G. Reynolds. Some nonprofit organizations are experiencing the best of times, while others are fighting to keep their doors open. With decreases in contributions and government funding, along with increasing demands to provide additional services, to keep up with technology, and to add new and innovative programs, nonprofit organizations must look to new sources of revenue. Many nonprofits are looking to entrepreneurial ventures to bridge the gap between needed funds and available funds. Entrepreneurial ventures are attractive to nonprofit organizations. The revenue earned can be used to supplement programs, but maybe more importantly, the nonprofit has more control over the revenue than over contributions and government funds. Contributions and government funds carry restrictions. Restrictions limit the use of funds. Earned revenue, however, carries no restrictions. The nonprofits are free to use the funds as they choose, provided they stay within the guidelines of their mission and comply with applicable governmental regulations. (*Nonprofit Handbook: Management*, Third Edition)

### Financial Management

"Accounting" by Richard F. Larkin. Nonprofit organization leaders need to understand the duties of the chief executive officer and the basic fundamentals of nonprofit accounting, including cash versus accrual accounting, fund accounting, transfers and appropriations, treatment of fixed assets and contributions, pledges, and noncash contributions. Long-term survivability (not to mention job security) will depend on understanding how to avoid financial problems, including how to establish internal financial controls (receipts/disbursements) and independent audits. (*Nonprofit Handbook: Management*, Third Edition)

"Budgeting Considerations" by Ruthie G. Reynolds. Budgeting is a key to long-term management of any nonprofit organization, with planning and controlling being the two most important components. Projecting and properly allocating resources requires developing a plan of action to guide the management team in applying and tracking these resources. Nonprofit leaders need to understand the links between budgeting and accounting, and budgeting techniques, from line-item budgeting and the Planned-Programming-Budgeting System (PPBS) to zero-based budgeting. (*Nonprofit Handbook: Management*, Third Edition)

"Unrelated Business Income" by Jody Blazek. Regulatory issues are combining with advances in technology to challenge nonprofit leaders, even while offering innovative new approaches. Blazek brings readers up to date regarding "interesting new Unrelated Business Income questions involving the Internet." This topic is particularly important in light of the expansion of exempt organizations into e-commerce. She provides a new and

very useful checklist that allows readers to develop an overall evaluation "of the consequences of information contained on an organization's Web site and its links," including a list of issues to consider. (*Nonprofit Handbook: Management*, Third Edition)

### Legal & Regulatory

"Law and Taxation" by Bruce Hopkins. Nonprofit organizations in the United States are regulated at both the federal and state levels of government. Hopkins summarizes this extensive body of law and concludes with a checklist that enables nonprofit leaders to review the status of their organization under and compliance with the law. (*Nonprofit Handbook: Management*, Third Edition)

## Evolutionary Environment

### Leadership

"Leadership and the Self-Renewing Organization" by Joseph E. Champoux. Self-renewing organizations have strong core values that focus the behavior of all organization members. They continually adapt to their environments in an unrelenting pursuit of their mission. Self-renewing organizations have the unique qualities of innovation, growth, and continuous learning. Leadership is an influence process where the leader tries to affect the behavior of a follower or potential follower. Power is a central feature of leadership, with leaders getting power from their organizational positions and personal qualities. Leaders and managers play important but different roles in an organization. Leaders seek change; managers keep a steady direction. Leadership is the driving force that can transform an organization into a self-renewing one. Charisma, self-confidence, and building trust are characteristics that can help a leader energize followers to pursue a vision of becoming a self-renewing system. The continual growth of such organizations requires these and other leadership qualities. Knowledge and vision of the leader, plus the intellectual stimulation of followers, infuses SROs with critical skills to adapt to opportunities in their environment. (*Nonprofit Handbook: Management*, Third Edition)

"Shared Leadership: Relationship Management to Improve Nonprofit Organization Effectiveness" by Craig L. Pearce, Monica L. Perry, and Henry P. Sims, Jr. Sharing leadership within the nonprofit organization can contribute to relationship management and thus effectiveness in nonprofit organizations. Shared leadership is a strategic organizational technique in which multiple members of the team share in the leadership of the team. Pearce, Perry, and Sims explain why shared leadership is highly related to team dynamics and team effectiveness. This chapter defines the concept of shared leadership, explains the likely outcomes of shared leadership in nonprofit organizations, outlines the circumstances under which one would want to develop shared leadership, and describes how to develop shared leadership. (*Nonprofit Handbook: Management*, Third Edition)

"Relational Models of Leadership for the Next Century Not-for-Profit Organization Manager" by Kenneth L. Murrell. The days of the command and control models of leadership are gone, and "with them the myth of the charismatic and great hero leader." All sectors of our economy are exploring new models of leadership that see great potential in the broader concepts of shared and relational leadership. This chapter outlines current thinking, plus explanations and suggestions for why the nonprofit sector in particular needs to give relational models serious thought and more extensive application. It points out the many successful cases now appearing that demonstrate how an empowered workforce is the organization's greatest asset. As that evolves, both the need for liberating structures

and organizations as new-styled work communities will be important areas for development. New leadership models will be necessary for developing the nonprofit organizations able to adapt, cope, and survive into the next century. (*Nonprofit Handbook: Management,* 1998 Supplement)

"Governance—Creating Capable Leadership in the Nonprofit Sector" by Keith Seel, M. Michelle Regel, and Milena M. Meneghetti. As we enter the new millennium, the nonprofit sector is under growing pressure to demonstrate effective leadership and accountability. Nonprofits are faced with funding reductions, aggressive competition from other nonprofits, pressure to assume or augment many services traditionally provided by governments, and the challenges of managing their own increasingly complex and sophisticated organizations—usually in the face of different and even conflicting expectations from stakeholders. This chapter outlines three governance models and their operating principles before focusing on the important applications of the policy-governance model and the Deloitte & Touche model. Of particular utility and importance are its guidelines for implementing these models that will no doubt serve as highly useful checklists for nonprofit senior leaders. (*Nonprofit Handbook: Management,* Third Edition)

## Human Resource Development and Management

### Board of Directors
"Board of Directors: Strategic Vision" by Jeffrey L. Brudney. Providing a mission and vision for the volunteer corps has typically received scant, if any, attention, warns Brudney. The self-renewing organization sought by cutting-edge nonprofit agencies to cope with an increasingly turbulent, interdependent, global environment requires a much more sustained and specific focus on volunteers. To survive and thrive in this competitive marketplace, the SRO must put each of its resources not just to good, but to superior use. The board, he stresses, must seriously consider, appraise, formulate, and support a vision that will galvanize volunteers (and paid staff) toward the attainment of the exciting future conceived for the organization. After explaining how many boards become "mired in unproductive syndromes that stymie attention to the volunteer effort," Brudney turns to developing the mission and vision for the volunteer corps. Finally, he outlines approaches to implement the volunteer corps vision. Specifically, he explains how the board must provide three key elements for the volunteer program, including a basic structure for the program, appropriate policies for governing the program, and risk management and insurance protection for nonpaid personnel. (*Nonprofit Handbook: Management,* Third Edition)

### Professional Staff
"Strategic Education Planning—An Executive Leadership Tool" by Suzanne J. Lulewicz. Education and training in the nonprofit organization "is far-reaching in the results it hopes to produce," explains Lulewicz. "Its work reaches out to members to certify them in their professional skills, set work standards, meet regulatory criteria, and, in many cases, ensure that the public health and safety is not compromised through the work of industry and professional members." After contrasting for-profit and nonprofit strategic education planning, she stresses that nonprofits can achieve significant competitive advantages through insights into the marketplace's future. Key trends in the proactive shift to strategic educational planning include advances in technology that will continue to revolutionize the way education and training are developed and delivered, a focus shift to interventions in performance improvement, the proliferation of integrated high-performance work systems, and the transformation into learning organizations. Lulewicz offers highly applicable

guidelines on how nonprofits can understand these trends and capitalize on them. She concludes by explaining in straightforward terms how to initiate a strategic education planning process, the strategic analysis, and the strategic education plan. (*Nonprofit Handbook: Management,* Third Edition)

"Employment-Related Benefits" by Sally A. Zinno. During the last half of the twentieth century, the amount spent on employment-related supplements in the United States rose at a rate 11 times faster than that of salaries and wages. Zinno provides the objectives of compensation systems within nonprofit organizations and their financial considerations. She addresses key questions relating to developing and managing the benefits program, including communicating with employees about their benefits. Of particular importance to nonprofit leaders is the understanding she provides regarding the Social Security Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act (ERISA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), and the Family and Medical Leave Act. (*Nonprofit Handbook: Management,* Third Edition)

## *Volunteers*

"Volunteer Management" by Jeanne H. Bradner. Due to changing demographics and a treacherous legal environment, nonprofits are hard pressed to stay abreast of rapid changes in volunteer development, management, and liability. Changes in volunteerism mirror the rapid changes in our society. Identifying, motivating, recruiting, training, orienting, and retaining volunteers is a constant challenge. Even more challenging is staying abreast of developments and trends in the treacherous world of liability and risk management for volunteers. Organizations using volunteers must protect themselves and their leaders from the increasing threat of successful lawsuits and legal actions. Ignorance of risk avoidance and risk management has been disastrous for many nonprofit and public service organizations. Bradner leads the reader phase by phase through the complete cycle of volunteer participation. Of particular usefulness to readers are the many checklists and forms she provides to assist them at whatever stage they may be in the volunteer cycle. (*Nonprofit Handbook: Management,* Third Edition)

"Policies for Volunteer Organizations" by Linda L. Graff. Graff begins with the fundamentals of what and why policies are needed, then takes readers through the development process of how to write policies specifically for volunteer programs. Of particular usefulness are her recommendations relating to policy formulation and compliance issues. (*Volunteer Management Handbook*)

"Episodic Volunteering" by Nancy Macduff, who outlines the nature and importance of short-term volunteering. She identifies barriers to short-term volunteers, and then explains the essential factors needed to recruit and sustain this type of volunteer whose numbers are growing. (*Volunteer Management Handbook*)

"Volunteer and Staff Relations" by Nancy Macduff. A positive relationship between volunteers and staff is essential to a healthy nonprofit organization. However, for too many nonprofits, the tensions that exist between volunteers and employee coworkers can become the "dirty little secret of volunteerism." This chapter outlines the secrets behind a successful volunteer–staff team. Starting with the characteristics of the effective volunteer–staff team and how they are selected, trained, and supported, Macduff explores the three basic types of volunteer–staff teams and how they differ, and assesses their strengths and uses. A volunteer–staff climate audit is another important tool that is explained as a

means to monitor changes in the working environment. Negative tensions that can develop between volunteers and staff are usually attributed to three basic causes: professional status, profiting from charity, and delicate management. Each needs a specific strategy that helps ensure that negative tensions are defused before they undermine morale and teamwork. The discussion concludes with an explanation of a successful sequential process to build an effective volunteer–staff team, including practical tips to enhance volunteer–staff relations. (*Nonprofit Handbook: Management,* 1998 Supplement)

"Volunteer Screening" by Linda L. Graff. For nonprofits, ensuring that the best candidates are recruited and placed has always been important. But over the last five years, Graff points out, "volunteer screening has become as much a matter of doing everything reasonable to keep the bad apples out as about achieving a proper fit between the volunteer's skills/interests and the demands of the volunteer position. Screening has become as much about techniques to keep the inappropriate or dangerous candidates out as it is about locating and placing the best candidates for the position." The potential consequences of inadequate screening protocol are all too obvious, including:

- Abuse of clients by volunteers
- Fraud; theft of agency or client resources
- Violence; sexual harassment toward clients, staff, or other volunteers
- Negative public relations for the agency, resulting in a loss of public trust
- Personal or organizational liability resulting in damaging and potentially ruinous lawsuits

After reviewing the legal principles in screening, Graff discusses the "sliding scale of screening," the organization's screening protocol. Of particular usefulness is her inclusion of many checklists and guides to help nonprofits through this vital process. (*Nonprofit Handbook: Management,* Third Edition)

"Risk Management in Volunteer Programs" by Linda L. Graff. Risk realities, are you current? Graff suggests that the fastest way for managers of volunteers to catch up to current risk realities is to engage in an exercise called *disaster imaging.* Consider the range of answers to this question: *What are the worst things that you can imagine going wrong in your volunteer department, or because of the involvement of volunteers at your organization?*

- Think about direct service volunteers and administrative (board and committee volunteers).
- Think about accidents, injuries, and financial and public trust issues.
- Think about personal and organizational liabilities.

Here is a typical list from her workshop participants who answer this same question:

- Accidents
- Injury
- Volunteer stepping outside of job description, exceeding skills or authority
- Substandard performance by volunteers, resulting in harm to clients
- Breach of confidentiality
- Loss or damage to property (physical, financial, electronic, intellectual)
- Theft, misappropriation of funds, fraud

- Abuse of client (physical, emotional, sexual, financial)
- Loss of agency reputation, organizational credibility, public trust
- Loss of ability to raise funds in the future
- Death (of client, volunteer, staff, general public)

One does not have to stretch the imagination to identify multiple disaster possibilities that could happen virtually any day of any week. The risks associated with voluntary action come in many shapes and sizes, but one thing is certain: The risks are both bigger and more prevalent than ever before. This chapter outlines the risk management process and a four-step risk management model, complete with tips on how to put the model to effective use. Following the risk management model should prompt managers to ask not only the right questions, but the right questions *in the right order,* that help to produce risk management solutions throughout the organization. Very few programs involve no risks at all, and very few risky situations are managed with only one risk control mechanism. "Fully evaluating the range of risks that prevail and then systematically exploring all risk reduction mechanisms can generate a properly tailored constellation of mechanisms for each situation. The process will help organizations operate within their own risk tolerance zones. The kind of comprehensive program review that a risk management process entails will often generate more productive and satisfying volunteer involvement, and more effective services to consumers as well," Graff concludes. Not engaging in risk management will not make the risks go away. In fact, not managing and controlling risks will simply increase liability and increase the odds of losing a legal action if, or when, one is launched. Don't find yourself waking up one morning, saying *"If only I had paid more attention to. ..."* Get ahead of risks by learning the lessons and understanding effective risk management techniques. (*Nonprofit Handbook: Management,* Third Edition)

"Training, Education, and Development Management Map (TEDMM): Identifying Learning Needs of Volunteers" by Stephen Hobbs. Volunteers are the backbone for many nonprofits, providing a myriad of services to the organization and its clients. Few would argue the importance of training and education for volunteers; however, determining with relative preciseness what these needs are and how to fulfill them is the challenge addressed by Hobbs in this chapter. Using his volunteer resource management system as a guide, Hobbs outlines the steps involved in the design, development, implementation, and evaluation of a training and education management map to be used by nonprofit managers to identify and meet the learning needs of volunteers. The evolving volunteer resource management discipline is changing "the parental/parochial framework to a collaborative/participatory framework," he explains. Within this framework, volunteers and staff work together in the design, development, administration, and evaluation of organizational programs. Central to Dr. Hobbs's successful volunteer education approach is the creation of a volunteer resource training, education, and development management map (TEDMM). He explains its use and how it provides a systematic approach for staff and volunteers to create a learning strategy that supports the overall volunteer resource management system and the goals of the organization. By adopting and using the TEMM, the organization is better assured of quality services and delivery, plus it gains a significant new recruiting and retention tool. (*Nonprofit Handbook: Management,* 1999 Supplement)

## *Endnotes*

1. Fulghum, R. (1988). *All I Really Need to Know I Learned in Kindergarten.* New York: Villard Books, p. 6.
2. Morrison, P., and P. Morrison. (2000). "Wonders: The Internet as Hardware," *Scientific American* 282(6): 113; *http://www.sciam.com.*