The Muttart Fellowships

Untapped Potential:

Fostering Organizational Social Capital in the Nonprofit and Voluntary Sector

Terri Woods

Each item in The Muttart Fellowship Products Series carries “the look” designed for the program. The concept incorporating pebbles and water fits with the Zen-like qualities of the visual identity of the Fellowship Program.

Each front-cover pebble is different—representing the uniqueness of each fellow and what s/he has to offer. Applicants are like pebbles among pebbles. After each is refreshed and renewed through the Fellowship year, s/he has an impact on the nonprofit charitable sector like the rings the pebble creates on a pond of water.

The varied use of this design recognizes the individuality of the Fellows while also creating a unified look to the Muttart Fellowship Products Series.

The Muttart Fellowship Program—unique in Canada—was created in 1996. A project of The Muttart Foundation, a private foundation based in Edmonton, Alberta, the program is designed to:

- develop research and other materials that will benefit the charitable sector in Canada.
- provide senior managers within the social-services sector with an opportunity for a sabbatical year—a chance to recharge and renew themselves.

Up to five fellowships are awarded each year to people working in senior-management positions in social-service charities within the Foundation's funding area—Alberta, Saskatchewan, Northwest Territories and Yukon.

During the Fellowship year, the Fellow leaves his or her agency to work on the chosen project. The Foundation makes a grant equal to the salary and benefit costs for the Fellow's position, and provides a budget for expenses related to the project. At the end of the Fellowship year, the Fellow returns to his or her agency for at least a year.

For more information about the project, please contact:

Executive Director
The Muttart Foundation
1150 Scotia Place 1
10060 Jasper Avenue
Edmonton, Alberta T5J 3R8

The Muttart Fellowships

Untapped Potential:

Fostering Organizational Social Capital in the Nonprofit and Voluntary Sector

Terri Woods

Published by:

The Muttart Foundation

Library and Archives Canada Cataloguing in Publications

Woods, Terri, 1953
Untapped Potential [electronic resource]: fostering organizational social capital in the nonoprofit and voluntary sector / by Terri Woods.

(The Muttartfellowship series)
Includes bibliographical references.
ISBN 978-1-897282-07-6

1. Nonprofit organizations—Personal management. 2. Human capital—Management. 3. Social capital (Sociology). I. Muttart Foundation II Title. III Series: Muttart fellowships

HD62.6.W67 2008 658.3 C2008-901277

Dedication

In the final month of my Muttart Fellowship year, my dad—a robust 83-year-old—contracted West Nile virus. After three long weeks in hospital, he died September 7, 2005. Peter Owen Moen was a wise, principled, and generous man. This book is dedicated to him.

Contents

Introduction

In October of 2003, I attended the annual Family Service Canada conference, as I have every fall since 1992. The theme of the conference was "Investing in Canada's Social Capital: Family by Family." The language of "social capital" was new to me. Over two days, we learned about "bonding" social capital (those relationships and norms that strengthen ties within groups) and "bridging" social capital (that which strengthens ties across groups).

The conference presenters approached the concept of social capital from various perspectives. Economist John Helliwell discussed his interdisciplinary study of the linkages among economics, social and human health, and the emerging evidence about how important social capital is for enhanced well-being. Dr. Lynn Macdonald, founder of the Families and Schools Together Program in the United States, discussed the relationship between social capital and family well-being. Dr. Terry Murphy from the United Kingdom spoke from an organizational perspective and suggested a need for resonance between the empowerment-based approaches social workers use in their practice and their experience in their own organizations. While the language of "social capital" was new to me, the ideas underlying it were not and I wanted to learn more.

One month later, I attended the Biennial Symposium on Employee and Family Assistance Programs (EFAP) in the Workplace. The symposium theme was EFAP's role in strengthening individual and corporate resiliency. Keynote speakers and workshop presenters offered a fascinating and somewhat disturbing picture of the challenges facing workers and workplaces across the country. We heard about increasing rates of absenteeism, role overload, and work-home conflicts, and concerns about the challenges facing the "sandwich generation." We learned that seven of the top 10 drugs prescribed in Canada are stress-related. Depression, anxiety, and substance abuse and related disability claims are increasing. Depression is expected to be the top cause of disability and death in countries with market economies by the year 2020 (in 1996, it ranked fourth). In addition, many workplaces lack the flexibility and psychological space for employees to deal with life issues, fail to support employee health and well-being, and fail to address the issues connected with an aging workforce and rapid technological change. This information troubled me, and I returned to my agency with a deeper appreciation for our workplace culture.

Subsequently, as I reflected on my own past and present work experiences and what I knew about public, private, and voluntary sector workplaces across the country, I had many questions:

- If we strive to model hope, courage, resiliency, and empowerment for our clients, what are we doing within our organizational cultures to nurture this among staff?
- How can we ensure that staff members feel connected (to each other and to the organization), capable, and appreciated?
- What facilitates emotional well-being in the workplace?
- What core values build effective working relationships?
- What skills must employees develop in order to work collaboratively and resolve conflicts and differences?
- What management practices support personal and organizational resiliency?
- How can we encourage each member of the organization to develop and utilize her/his leadership abilities?
- For what are employees personally responsible? For what is the organization responsible?
- How does organizational culture influence its members and how do the organization's members shape that culture?
- How can we build loyalty and commitment to the organization and to the sector?
- How does the voluntary sector compare to the public and private sectors in creating and maintaining environments in which "human capital" is valued and "social capital" is fostered?

As a social work clinician, supervisor/manager, and educator, I had some answers to these questions. Those answers, however, were rooted primarily in my own experience. Like most who work in our sector, I tended to read about things related to my profession or to my agency's issues and services. Although I was managing human resources, I had never studied that and tended to act intuitively in my role as a clinical supervisor and program manager. As a social worker and systemic family therapist, I have a perspective that locates each individual in the context of significant relationship systems. While I was somewhat uncomfortable with the notion of "capital," it seemed that "social capital" might be a useful framework in which to explore relationships in organizations.

The Muttart Foundation Fellowship Program became the vehicle through which I engaged in a wonderful, interdisciplinary journey. What a joy to discover that science, economics, and sociology are incredibly more interesting now than they were 35 years ago when I was a University of Saskatchewan liberal arts student! And, as a contented career social worker, I have found it fascinating to explore the relational world of business organizations and the thinking of such organizational experts as Peter Drucker, Peter Senge, and Margaret Wheatley.

My five objectives were to:

- Develop a thorough understanding of the social capital concept.
- Explore the relationship between "human capital," "social capital," and organizational productivity.
- Identify and describe practices that support and enhance both personal well-being and organizational social capital.
- Consider what values and principles might distinguish the nature of social capital in charitable organizations from that found in public and private sector organizations.
- Develop some "best practices" related to assessing, developing, and nurturing social capital for charitable sector organizations.

These objectives and my questions anchored my exploration. When I felt I might be veering too far off course in my reading, I returned to these objectives. Did I achieve my objectives? It depends how one measures achievement. This document does not and cannot represent my personal learning and changes. My journey over the past year has influenced how I see the world and how I will approach my work in the future. I appreciate more deeply how important it is to develop practices from values and principles. Instead of concentrating on "best practices," I have focused on "good," "promising," or "positive" practices. "Best" implies that one has "arrived," but I don't think we ever do.

There are two particular aspects of the work that I wish to comment upon: the limitations of my research and my use of language. I approached the work with an attitude of openness and curiosity and "cast the net widely." Because of the scope of the themes and topics I explored, I know that I missed significant ideas and bodies of information and knowledge. Some sources I wanted to consider were unavailable. On the other hand, the endless supply of promising information had the potential to completely change my project. I apologize for any naïve and/or superficial treatment of the concepts and topics presented. This project is but a snapshot of a vast and changing landscape.

I still struggle a bit with the language and notion of considering people and relationships as "capital." But perhaps the term "human resources" evokes similar distaste. Our words and concepts limit, confuse, challenge, and divide us but also are profoundly significant in connecting us. I am convinced that we must become more holistic and interdisciplinary in our worldviews. We must make efforts to understand one another's vocabularies while creating new concepts that better reflect the kind of world in which we wish to live. While "capital" may seem to be the language of a worldview focused on things and profits, "social" shifts the focus to people, relationships, and interdependence.

My interest is in relationships and, in the broadest sense, I have considered the relationship between society and economy. As a social worker, my strength is definitely on the societal side! Social and economic theories are complex, yet neither perspective offers a complete story of our past, present, or emerging future. Every discipline adds important and useful pieces to the narrative. I now more deeply appreciate the profound interconnectedness of life and the importance of a global perspective. As the world shifts into a single, interdependent, international community and economy, how do we serve the common good of humanity? How do we work locally in ways that serve wider communities and greater purpose? These questions remain for further reflection.

This book examines some values, principles, and practices that foster organizational social capital. A "social capital" perspective focuses attention on people and relationships as the key resources in every organization. By truly valuing and nurturing these resources, organizations can effectively serve clients and communities with energy, creativity, and commitment.

1

Social Capital—A Significant Organizational Asset

Chapter 1

What Is Social Capital?

The notion of "capital" (derived from the Latin word *caput*, meaning "head") usually is associated with economics. Economists talk about "physical capital" (such tangible production factors as tools, machines, and buildings), "financial capital" (liquid assets), and "human capital" (individual employees' skills and knowledge). These resources or assets enable organizations to generate outcomes and profits.

In Canada's nonprofit and voluntary sector, "organizational assets" tend to look like this:

- **physical capital**. Office space and furnishings (warm and welcoming but probably in need of repair or replacement); old computers donated by a local business that was upgrading its equipment; an antiquated phone system….
- **financial capital.** Money received at various times each year after writing numerous funding proposals and follow-up reports (and praying a lot).
- **human/intellectual capital.** The people who work every day to serve the clients and community in highly professional and committed ways (for a paycheque considerably less than what they could earn in the public or private sectors) and board members and volunteers who contribute free knowledge and skills when they could happily be doing something else.
- **social capital**. Assets inherent in relationships. The what? Was that in Economics 101?

No, probably not. And not in history, sociology, or political science either. Research suggests that, in recent years, "numerous capital concepts have been introduced in the social science literature" including "religious, intellectual, natural, digital, psychological, linguistic, emotional, symbolic, cultural, moral, political, endogenous, network, family, knowledge and organizational capital."[1] Social capital is a more recent addition. So what is it? It begins with definition:

- social: of or dealing with human beings in their relations to each other; having to do with the life of human beings in a community[2]
- capital: a source of power or advantage; resources.[3]

Simply put, *social capital refers to the assets inherent in relationships*—assets with potential to benefit individuals, the group, and the wider community. The literature shows no consensus on the definition of social capital. Here is a sampling of definitions available:

1. "Current Contents Database 2003" as cited in Gunnar Lind Haase Svendsen and Gert Tinggaard Svendsen, *The Creation and Destruction of Social Capital: Entrepreneurship, Co-operative Movements And Institutions* (Northampton, MA: Edward Elgar Publishing, 2004), p. 10.
2. *Gage Canadian Dictionary* (Toronto: Educational Publishing Company, 1997), p. 1388.
3. Ibid., p. 228.

- The Organization for Economic Cooperation and Development defines it as "networks together with shared norms, values and understandings that facilitate cooperation within or among groups."[4]
- The World Bank defines it as "the norms and social relations embedded in social structures that enable people to coordinate action to achieve desired goals."[5]
- Harvard political scientist Robert Putnam, who brought the notion of social capital to the general public in *Bowling Alone: The Collapse and Revival of American Community,* says that "the core idea of social capital theory is that social networks have value."[6] He continues that social capital "refers to connections among individuals—social networks and the norms of reciprocity and trustworthiness that arise from them."[7]
- Sociologist Alejandro Portes suggests that "the consensus is growing in the literature that social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures."[8]

Evolution of the Concept

Several authors have suggested that the notion of social capital first appeared in print in 1916 in L. J. Hanifan's work on rural school community centers.[9] Hanifan's concept focused on the goodwill, fellowship, and support found in a specific social context—the school. Some years later, the concept was taken up by other social scientists, most notably Pierre Bourdieu, James Coleman, Jane Jacobs, and Robert Putnam.

French sociologist Bourdieu reformulated the economists' word "capital" to include non-material forms and is credited with having produced "the first systematic contemporary analysis of social capital."[10] Bourdieu defined social capital as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition."[11] In other words, Bourdieu was interested in the resources inherent in relationships.

Sociologist James Coleman took interest in both social capital's function and form. He focused on social capital's role in creating and developing human capital, especially through socialization. For example, in investigations in which he examined staying in high school versus dropping out, Coleman suggests that social capital in families and in the adult community surrounding the school reduces the probability of dropping out.[12] Indeed, Coleman expressed concerns about a changing

4. Organization for Economic Cooperation and Development 2001: 41 as cited in John F. Helliwell, *Globalization and Well-Being* (Vancouver: UBC Press, 2002), p. 37.
5. Don Cohen and Laurence Prusak, *In Good Company: How Social Capital Makes Organizations Work* (Boston: Harvard Business School Press, 2001), p. 3. Used with permission of the publisher.
6. Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon and Schuster, 2000), p. 18.
7. Ibid., p. 19.
8. Alejandro Portes, Social Capital: Its Origins and Applications in Modern Sociology," *Annual Reviews of Sociology* 24 (1998), 2000, p. 6.
9. Putnam, *Bowling Alone: The Collapse and Revival of American Community*, p. 19. Cohen and Prusak, *In Good Company: How Social Capital Makes Organizations Work*, p. 4.
10. Portes, "Social Capital: Its Origins and Applications in Modern Sociology," p. 3.
11. Ibid.
12. James S. Coleman, "Social Capital in the Creation of Human Capital," *American Journal of Sociology* 94 (1988) *Supplement: Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure*, p. S113-16.

social environment in which social capital generated through family, clan, and community (which provide "insurance" for times of dependency throughout a person's life) seems less available today than in the past.

Coleman also identifies several forms of social capital including:

- **obligations and expectations.** Two critical elements of this form include "the level of trustworthiness of the social environment, which means that the obligations will be repaid, and the actual obligations held."[13]

His many examples of these relationships include the micro (for example, the system of mutual trust that exists in a couple's relationship) to the neighbourhood (for example, the rotating credit associations that exist among groups of friends and neighbors in Southeast Asia and elsewhere that amass savings for small capital expenditures). Other factors also influence the nature of these exchanges, such as the presence or absence of hierarchy in the structure, people's actual need for help, the existence of other sorts of aid, cultural differences in the tendency to ask for and offer help, and the degree of closure in the social networks. The degree of trust and trustworthiness in a group at any given time significantly influences the nature of give and take and, consequently, the amount of social capital.

- **information-flow capability.** This is the information flow between people in a social structure that facilitates action.
- **norms accompanied by effective sanctions.** Norms (i.e., the formal and informal "rules" that guide how group members behave with one another) and sanctions facilitate some actions and constrain others.[14]

Coleman makes another important point about social capital's public or collective good**:** "As an attribute of the social structure in which a person is embedded, social capital is not the private property of any of the persons who benefit from it."[15] As an important resource for individuals, social capital greatly affects both their capacity to act and the overall quality of their lives. Coleman also suggests that those who generate social capital only capture ordinarily a small part of its benefits. This is the paradox of social capital. Unlike other forms of capital, the more one uses social capital, the greater the quantity of social capital that is generated. On the other hand, "most forms of social capital are created and destroyed as a byproduct of other activities … it arises or disappears without anyone's willing it into or out of being."[16] This contributes to an under-investment in social capital and its consequent depreciation over time when not nurtured and renewed.

13. James Coleman, *Foundations of Social Theory* (Cambridge, MA: The Belknap Press of Harvard University Press, 1990), p. 306.
14. Coleman, "Social Capital in the Creation of Human Capital," p. S119. Coleman, *Foundations of Social Theory*, pp. 306-11. Reprinted by permission of the publisher from *Foundations of Social Theory* by James S. Coleman, Cambridge, MA.: The Belknap Press Copyright, 1990 by the President and Fellows of Harvard College.
15. Coleman, *Foundations of Social Theory*, p. 315.
16. Ibid., pp. 317-18.

The concept of social capital is perhaps best known through Robert Putnam's work. Putnam's book *Bowling Alone: The Collapse and Revival of American Community* has brought this concept into public and policy discussions (perhaps with a little help from Michael Moore's satirical film *Bowling for Columbine*). Putnam's first book about social capital, *Making Democracy Work,* examined government institutions in regions of Italy. Putnam discovered that big variations in government effectiveness were related to traditions of civic engagement. Trudy Govier draws upon Putnam's examination of Italian civic engagement in her discussion of "trust as social capital." She states that "[w]hat is most needed for civic participation is a sense of social trust, a sense that we can work with others, who will do their part to participate and take projects forward.… Voluntary cooperation is much easier in a community that has inherited a substantial stock of social capital in the form of norms of reciprocity and networks of civic engagement…. When a society has social capital, just about everything is easier, because people can turn to others for information and assistance."[17] Citing Putnam's claim that social capital is "a moral resource and a public good," Govier also emphasizes that, "unlike other forms of capital, when it is used, the supply tends to increase rather than diminish."[18] Govier, Seabright, and others point out how social capital tends to perpetuate itself in virtuous circles of cooperation, trust, reciprocity, civic engagement, and collective well-being. Similarly, vicious circles of "distrust building on distrust" also can occur and become self-reinforcing.

In *Bowling Alone*, Putnam sought to quantify and measure what he sees as the shrinking stock of social capital in the United States. Working from the premise that "social networks have value," Putnam says that "… social contacts affect the productivity of individuals and groups" thus making social capital "… simultaneously a 'private good' and a 'public good.'"[19] His book is rich with evidence and examples that illustrate the relationship between social capital and such factors as child development, health outcomes, crime rates, and economic prosperity.

Putnam talks about different forms of social capital, in particular "bonding" (exclusive) and "bridging" (inclusive). He carefully clarifies, however, that "… bonding and bridging are not 'either-or' categories into which social networks can be neatly divided, but 'more or less' dimensions along which we can compare different forms of social capital."[20] He suggests that bonding and bridging social capital are good for different things. For example, strong ties with close friends may ensure that you get care when you are sick but weak ties with acquaintances are more likely to result in leads for a new job.

17. Trudy Govier, *Social Trust and Human Communities* (Montreal and Kingston: McGill-Queen's University Press, 1997), pp. 151-52.
18. Ibid., p. 153.
19. Putnam, *Bowling Alone: The Collapse and Revival of American Community*, p. 20.
20. Ibid., p. 23.

Putnam also discusses social capital's "dark side" (for example, the excessive bonding social capital evident in gangs and some religious groups). "Social capital … can be directed toward malevolent, antisocial purposes just like any other form of capital.… Therefore, it is important to ask how the positive consequences of social capital—mutual support, cooperation, trust, institutional effectiveness—can be maximized and the negative manifestations—sectarianism, ethnocentrism, corruption—minimized."[21]

Danish researchers Svendsen and Svendsen argue compellingly that social capital is "the missing production factor" in economic debates and that it "should be added to traditional production factors of land, technological knowledge, physical capital, human capital and formal institutions (written rules)."[22] In seeking to answer the question, "How is social capital created and destroyed?," they conducted a comprehensive examination of cooperative movements in Denmark and Poland. They found that economic growth and decline were clearly related to the stocks of bridging and bonding social capital.

Social capital and community-building are intimately related. In fact, in the community development field, a recent asset-based methodology has been described as "a practical application of the concept of social capital."[23] This Asset-Based Community Development (ABCD) approach usually is associated with the work of John Kretzmann and John McKnight. As an alternative to the typically needs-based development approaches, ABCD focuses on "… social assets: the gifts and talents of individuals, and the social relationships that fuel local associations and informal networks."[24] In this model, the community drives development through a process that connects people with one another and with other resources needed for quality of life.

Depending on the context (i.e., family, neighborhood, community, nation), the many factors that influence the nature and strength of the social capital include: history and culture, family, education, economic inequalities and social class, mobility, personal values, flatness or hierarchy in social structures, and the civil society's strength and characteristics.[25] And who benefits from the presence of social capital? Potentially, both the individual and the group can benefit.

To summarize, the key elements of social capital include:

- relationships (social networks)
- trust and trustworthiness
- **shared** norms and sanctions; **shared** obligations and expectations; **shared** values; **shared** understandings; and **shared** support
- cooperative action.

21. Ibid., p. 22.
22. Svendsen and Svendsen, *The Creation and Destruction of Social Capital: Entrepreneurship, Co-operative Movements And Institutions*, p. 45.
23. Alison Mathie and Gord Cunningham. "From Clients to Citizens: Asset-Based Community Development as a Strategy for Community-Driven Development" (Antigonish: The Coady International Institute, St. Francis Xavier University Occasional Papers, p. 7. http://www.stfx.ca/institutes/coady/text/about_publications_occasional_citizens.html (accessed January 6, 2005).
24. Ibid., p. 1.
25. Stephen Aldridge, David Halpern, and Sarah Fitzpatrick. *Social Capital: A Discussion Paper* (London: Cabinet Office, Performance and Innovation Unit, 2002), p. 6.

An Invisible Organizational Asset

Most literature on social capital focuses on individuals and families, communities and nations, rather than organizations. An exception is Cohen and Prusak's *In Good Company: How Social Capital Makes Organizations Work.*

Focusing on business organizations, the authors argue that social capital exists in all organizations but in widely varying amounts and primarily outside of people's conscious awareness. They describe social capital as "… the stock of active connections among people: the trust, mutual understanding, and shared values and behaviors that bind the members of human networks and communities and make cooperative action possible."[26] These authors make a business case for investing in social capital: "… social capital generates economic returns."[27] They specify the benefit of social capital in organizations as:

- better knowledge sharing because of established trust relationships, common frames of reference, and shared goals
- lower transaction costs because of a high level of trust and cooperative spirit (both within the organization and between the organization and its customers and partners)
- low turnover rates which reduce severance costs and hiring and training expenses, avoid discontinuities associated with frequent personnel changes, and maintain valuable organizational knowledge
- greater coherence of action because of organizational stability and shared understanding.[28]

The business case alone is a convincing argument in favour of investing in social capital. Although the nonprofit sector is not motivated by profit, it *does* seek a balanced budget and a stable complement of competent, satisfied employees doing great work.

The environment in which our sector operates also presents challenges for which an investment in social capital makes good sense. These challenges are addressed in the next section.

26. Cohen and Prusak, *In Good Company: How Social Capital Makes Organizations Work*, p. 4.
27. Ibid., p. 10.
28. Ibid.

Fostering Organizational Capital

Chapter 2

Fostering Organizational Capital

At its essence, every organization is a product of how its members think and interact.

- Peter Senge[29]

Classical economic theory contends that land and natural resources, capital, and labour always have been the three key sources of the products and services that a society needs for its material well-being. Land was the critical factor during most of human history, with the shift to "the age of capital" occurring somewhere between the late Middle Ages and the beginning of the 20th century. In the early 1950s, the critical production factor began to shift from capital to people as capital accumulated and technology advanced. The focus, however, was now on workers' knowledge as well as their labour. This marked the end of industrial capitalism and the emergence of the knowledge economy in the Western world.[30] And these knowledge workers have high expectations of both work and workplace.

Social commentator and management guru Peter Drucker lends his perspective to the transformation into a knowledge society/economy. Drucker defines the last century as unlike any other period in human history in terms of extreme social transformations. He writes that "In the developed free-market countries—only one-fifth of the earth's population, but the model for the rest—work and workforce, society and polity, are all, in the last decade of this century, *qualitatively* and *quantitatively* different both from those of the first years of this century and from anything ever experienced before in human history: different in their configuration, in their processes, in their problems, and in their structures."[31]

The newly emerging dominant group is "knowledge workers," people working at jobs that require formal education and continual learning. Drucker predicts that the knowledge society "… will inevitably become far more competitive than any society we have yet known—for the simple reason that with knowledge being universally accessible, there are no excuses for nonperformance."[32]

Further, Drucker says that the knowledge society is a society of organizations and an employee society. Because knowledge workers, by definition, are specialized, most will depend on organizations for salaries and effectiveness as contributing knowledge workers. Unlike factory workers, however, knowledge workers *own* the "tools of production." They embody the "intellectual capital" that the organization requires. Thus, the relationship between the two is increasingly "… one of interdependence

29. Peter M. Senge, et al. *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization* (New York: Currency Doubleday, 1994), p. 48. Used with permission by Random House, Inc.
30. Arie deGeus, *The Living Company: Habits for Survival in a Turbulent Business Environment* (Boston: Harvard Business School Press, 2000), p. 16. Reprinted by permission of Harvard Business School Press. From *The Living Company: Habits for Survival in a Turbulent Business Environment* by Arie deGeus. Boston, MA, 2000. Copyright © 2000 by the Harvard Business School Publishing Corporation, all rights reserved.
31. Peter F. Drucker, *The Essential Drucker: The Best of Sixty Years of Peter Drucker's Essential Writings on Management* (New York: HarperCollins, 2001), p. 299.
32. Ibid., p. 307.

with the knowledge worker having to learn what the organization needs, but with the organization also having to learn what the knowledge worker needs, requires and expects."[33]

High Expectations of "Knowledge Workers"

In *The Quality of Work,* Canadian sociologist and researcher Graham Lowe contends that Canada has focused too much on job creation rather than job quality. He says people in an affluent, highly developed economy like Canada are reasonable in wanting "meaningful work that offers personal development, a social purpose, a decent standard of living and a sense of economic opportunity."[34] This requires attention to work's social dimension and to creating a more people-centered working life.

Dennis T. Jaffe, Cynthia D. Scott, and Glenn R. Tobe identified core values that set the tone at places where employees would like to work most. In both 1968 and 1981, the same six values ranked highest:

- honesty
- ambition
- responsibility
- forgiveness
- broadmindedness
- courage.

A very different list emerged when they surveyed employees in more than 100 work groups at all levels from different types of organizations around the United States between 1989 and 1993. The new values were:

- integrity, fairness
- competence, ability
- teamwork
- communication
- personal growth
- creativity, challenge
- freedom, autonomy.[35]

These authors relate employee stress and burnout more to the meaning they find (or do not find) in work than to the pressure they feel. Meaningful work relates to vision, values, control, challenge, and connection.

33. Ibid., p. 311.
34. Graham S. Lowe, *The Quality of Work: A People-Centred Agenda* (Don Mills, ON: The Oxford University Press, 2000), p. 4. Used with permission by Oxford University Press.
35. Dennis T. Jaffe, Cynthia D. Scott, and Glenn R. Tobe, *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization* (San Francisco: Jossey-Bass, 1994), pp. 34-35.

In *Value Shift,* Harvard Business School Professor Lynn Paine reinforces this in her comments about *Fortune's* annual review of the best companies to work for in the United States.

> Although the companies listed in the top 100 have varied from year to year since the review was launched in 1998, their defining attributes have changed little. The best workplaces have consistently been those that pay well, invest in their people, and treat employees with dignity and respect. At the favored companies, managers are seen as trustworthy, and employees have a high level of trust in one another. Employees are proud to work at these companies and proud to be associated with their products and services. These companies also foster a sense of camaraderie, and employees enjoy their time at work. The edge, Fortune concluded in its 2001 review, comes from having a culture where people are respected, treated as adults, and made to feel the company cares about them.[36]

Paine also provides an international perspective, citing the results of a 32-country study of employee commitment.

> According to this study, employee commitment is driven by six factors: fairness, including fair pay, fair policies, and fair practices; care and concern for employees; trust in employees; company reputation; work and job resources; and satisfaction with day-to-day activities. Around the world, employees who rated their companies highly on these factors were more inclined to stay with their organization, to recommend it to others, and to go the extra mile in doing their jobs.[37]

Canadian researcher Graham Lowe adds to the global business picture with similar observations and advice.

> Canadian businesses concerned about their competitiveness in global markets should take heed of the Organization for Economic Cooperation and Development's suggestions for workplace change. Having compared developments in all the major industrialized nations, the OECD advocates a 'high trust, high-skills'—in other words, 'high performance'—workplace. This model, which has been discussed in Canada since the mid-1990s, can have positive outcomes for both employers (improved organizational performance) and workers (better working conditions and

36. Paine, Lynn Sharpe, *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance* (New York: McGraw-Hill, 2003), p.108. Used with permission by the publisher.

37. Ibid., p. 109.

more skilled work). What's interesting is the connection the OECD makes between economic productivity and work reform. Specifically, the organization's image of an innovative workplace includes many of the hallmarks of higher-quality work: complex jobs with a wide range of skills and tasks; ongoing opportunities for workplace training; a flatter organizational structure; distribution of responsibility across all levels; and high trust between workers and the employer. The OECD's contribution to policy discussions of workplace reform also signals that governments have an important role to play in promoting internal workplace changes—an area typically left to employers or (less frequently) union-management negotiations.[38]

Work/Life Balance

Work quality relates intimately with the quality of our personal and family life. Stress in one realm inevitably spills over into stress in the other. Indeed, the International Labor Organization states "stress has become one of the most serious health issues of the twentieth century."[39] Both employers and employees face human and economic costs when workplaces fail to recognize their employees' multiple roles and demands.

Why has work/life balance become more difficult? According to Canadian researcher Linda Duxbury, changes during the 1990s included "an increase in the number of working women, dual-earner and single-parent families, sandwich employees and employees who had responsibility for eldercare. During this decade, employers downsized, right sized and restructured, job insecurity increased for many and time in work rose. At the same time, technological change blurred the boundary between work and family."[40] Increased work/life conflict can be linked to each of these factors.

Duxbury and Higgins identify three aspects of work/life conflict: role overload, work-to- family interference, and family-to-work interference. All three have increased, role overload the most. Women are more likely than men to report high role overload, and they display higher levels of stress and depression than men. Evidence suggests that "high levels of role overload and work to family interference affect organization's recruitment and retention efforts, often affecting their 'bottom line.'"[41] Men are more likely to report high levels of work to family conflict, a finding "consistent with other research in the area suggesting that for many men, placing family ahead of work continues to be deemed a 'career limiting move.'"[42] Duxbury and Higgins recommend various strategies for reducing all

38. Lowe, *The Quality of Work: A People-Centred Agenda*, p. 180.
39. Ibid., p. 76.
40. Linda Duxbury and Chris Higgins. *Work-Life Balance in the New Millennium: Where are We? Where Do We Need to Go?* CPRN Discussion Paper WI12. (Ottawa: Canadian Policy Research Networks, 2001), p. 6. Used with permission of the publisher.
41. Ibid., p. vii.
42. Ibid., p. viii.

three aspects of work/life conflict for employers, employees and their families, unions, and governments. To employers, they propose "four sets of initiatives: increase the number of supportive managers within the organization; provide flexibility around work; increase employee's sense of control; and focus on creating a more supportive work environment."[43]

Duxbury says that some believe that the work/life picture is changing, at least for those new to the workforce. Labour market changes in the last few years have produced two new issues: "the greater need to recruit and retain workers, and changing attitudes towards work."[44] Citing the work of Arnold Deutche in *The Human Resource Revolution: Communicate or Litigate,* Duxbury says, "today's 'knowledge workers' hold work attitudes that differ in many ways from those of the 'factory and production' workers that preceded them. Key differences include rising expectations for a more rewarding career, more humane working experiences and a greater 'democratization' of the workplace. Today's employees are more likely to want a career, not 'just a job' and a meaningful life outside of work. Many have high expectations about gaining satisfaction from their work now and in the future, and want a say in decisions affecting their jobs and their employment."[45]

Research conducted in the United States demonstrates similar findings. "The National Study of the Changing Workforce, conducted by the Families and Work Institute, shows strong sentiment among all workers (and especially younger ones) in favor of more balanced lives. What's striking about the institute's finding is that those people with more autonomy in their jobs and more social support from their colleagues and leaders are the most successful in balancing their lives; they report less work-family conflict and fewer negative job-to-home spillovers."[46]

The evidence is growing that workplace policies and practices that foster trust, social cohesion, and social capital and that accommodate personal and family commitments also foster increased employee commitment and productivity. Lowe suggests that now and in the future "the key to successfully attracting and retaining employees will be to provide quality work, which has four main pillars: it is fulfilling and meaningful; it provides a decent standard of living; it understands and accommodates the relationship between health, well-being and the work-life balance; and it respects the workers' rights."[47] Furthermore, Lowe recommends "a 'high performance workplace model' to achieve this, through components such as:

- a flat (non-hierarchical) organization
- team-based work

43. Ibid., p. 65.
44. Ibid., p. 10.
45. Ibid., p. 11.
46. James M. Kouzes and Barry Z. Posner, *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations* (San Francisco: Jossey-Bass, 1995), p. 335.
47. Warren Dow, *Backgrounder on Trends in the Changing Workforce and Workplace* (Ottawa: Voluntary Sector Initiative, 2001), p. 33.

- flexible job designs
- commitment to training and learning
- employee participation in decision-making
- sharing rewards and information
- promoting health, well-being, work-family balance (including having a healthy and safe work environment)
- supportive supervisors
- decent living standard and economic security
- mutual trust among employers and workers
- encouraging initiative and creativity
- providing opportunities to use and develop skills."[48]

Clearly, employees today have many needs and expect them to be met in their workplace. If the workplace environment does not, these employees can and will move on. A social capital perspective, with its emphasis on the relational, provides a useful framework for thinking about and meeting the needs of both employees and organizations.

Staff Recruitment and Retention

Many people lack information about Canada's nonprofit and voluntary sector. Until recently, little solid information was available about the nonprofit sector in Canada and throughout the world. That has changed recently with the publication of several significant research reports including *The National Survey of Nonprofit and Voluntary Organizations (NSNVO)*, the *Satellite Account of Nonprofit Institutions and Volunteering*, and *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective*. This research has defined the sector and highlights its vital role in Canadian society. The sector delivers many valuable services and provides an important vehicle for engaging citizens and building social capital. Appendix B provides a brief overview of current information on the sector.

People working in the nonprofit sector know well the challenges of securing funding, recruiting staff, volunteers, and board members and doing long-term planning. Recent research validates our challenges and concerns.

In his presentation to the 2005 Imagine Canada Conference, Canadian researcher Michael Hall discussed the significance of the government retrenchment of the 1990s when overall funding was cut by 20 per cent. Connected with this was the introduction of what could be characterized

48. Ibid., p. 34.

as “dysfunctional” funding (i.e., funding that is more short-term and competitive, less predictable, and directed to programs and projects rather than providing for overall organizational capacity development). This has increased administrative burden on nonprofit and voluntary sector organizations, while also undermining its capacity to address community needs. Hall also identified the uncertain prospects for private philanthropy in view of a long-term downward trend in donor numbers although total dollars have increased. Additionally, he expressed concern that the government provides no coherent government policy framework for (or even attention to) improving the sector’s capacity to deliver services.

According to Hall, five things are needed:

- **government leadership**. Government must renew its commitment to real partnership with the sector.
- **effective funding**. Primarily, this means “better money” (i.e., longer term, more predictable, more flexible, and more diverse [including loans, capacity grants, venture capital]).
- **improved organizational capacity**. This requires investing in human resources.
- **new partners and increased involvement from Canadians**. Business community leaders are needed as funders/investors; support for employees to contribute in different ways; and financial and human capital.
- **ongoing research and development**. Research must track the sector’s health and progress.[49]

In another presentation at the same conference, Janice Gross Stein (who directs Toronto’s Munk Centre for International Studies) spoke about the expectations imposed on the nonprofit and voluntary sector that for-profit and government sectors would not tolerate. For example, while investing for the long term rather than the short term is understood as critical in private sector organizations, no equivalent exists in the nonprofit sector. Also, the nonprofit and voluntary sector must focus too much on meeting standards of efficiency that other sectors never would impose on themselves. For example, nonprofit sector managers proudly highlight that the sector has “the lowest administrative costs” without thinking deeply about what that really means. Another huge problem is the sector’s claim not to value redundancy. The for-profit sector understands essential services and contingency planning and obtains insurance to protect what it values. Where is the nonprofit sector’s redundancy? How can it continue to provide critical and essential services without contingency planning? Stein

49. Michael Hall, “How Canada’s Voluntary Sector Compares to Others Around the World.” Imagine Canada Conference, Toronto, March 22, 2005.

comments that "our system is so reduced that it is almost impossible for us to be learning organizations."[50]

Another area of concern is "accountability" which, as Stein notes, comes from the word accounting. Much of the nonprofit sector's work produces no immediately obvious results. Thus, "value for money" requires different measurement criteria. Stein suggests that accountability has become a substitute for "responsibility," which is a broader, more useful concept. In reflecting on accountability/responsibility, nonprofit sector leaders must ask themselves: For what? To whom? And according to whose standards? They must highlight the explicit set of values that distinguish the sector. They must move towards having authentic three-way partnerships, not "one way conversations," with government and the private sector. They must have conversations about what matters.

Dr. Lester Salamon, director of the Centre for Civil Society Studies at Johns Hopkins University, reiterated and reinforced much of what Hall and Stein had to say. He called the nonprofit and voluntary sector "a fragile organism" with problems in several realms:

- legitimacy (lack of information about the sector; lack of consciousness as a sector; lack of legal structure in some countries)
- sustainability (in terms of both financial resources [i.e., inaccurate notions that philanthropy will sustain the sector] and human resources [i.e., challenges with recruitment, training, and capacity building])
- effectiveness (achieving it and demonstrating it)
- collaboration (The sector cannot go it alone; collaboration, both within the sector and across sectors, is the key to the future.)
- justice (the "higher calling," social justice mission and work of the sector—advocacy, community building, pluralism).[51]

The nonprofit sector must address sustainability challenges by investing in human resources (recruitment, training, and capacity building) within organizations. It is imperative that we achieve and demonstrate organizational effectiveness. The sector must recognize that collaboration (within and across sectors) is the key to the future and that collaboration requires good relationships. Once again, the social capital concept provides a unifying framework through which to address some of these challenges.

What is known about human resources in the nonprofit and voluntary sector? Over the past several years, the Canadian Policy Research Networks Inc. (CPRN) has published a series of five reports on this topic. Drawing primarily from the *Workplace and Employee Survey (WES)*

50. Janice Gross Stein, "The Accountability-Efficiency Squeeze facing Canada's Charities and Nonprofits." Imagine Canada Conference, Toronto, March 22, 2005.
51. Lester Salamon, "The Ten Myths of Global Civil Society." Imagine Canada Conference, Toronto, March 23, 2005.

released by Statistics Canada in 2000, the CPRN reports have focused on: characteristics of the nonprofit workforce; job quality; skills and training; and human resource management. The most recent report, *Passion and Commitment Under Stress,* provides a synthesis of key findings and makes some recommendations for change.

According to the *Workplace and Employee Survey* data,[52] "about 900,000 paid employees worked in the nonprofit sector in 1999, about 8 percent of all paid employees in Canada. The paid workforce of the nonprofit sector is predominantly female (74 percent), older than the for-profit workforce, and with a high percentage of well-educated, professional staff."[53]

Nonprofit sector working conditions are better than the for-profit sector in some ways (benefits, flexible hours, training) but less adequate than the public sector in several ways (benefits, training and especially salaries). Higher levels of temporary employment and lower salaries (especially for managers and professionals) present the biggest concerns.[54]

Many nonprofits have apparently in recent years adjusted their "business strategies" to increase employees' skills, improve service quality, and enhance employee involvement and participation. Notably, in comparison to the for-profit sector, the nonprofit sector has more staff involvement in decision-making, a higher likelihood of a procedure for resolving workplace disputes, and greater availability of personal and family supports. Once again, though, the quango/public sector does better.[55]

A high percentage of employees in all sectors are generally satisfied with their jobs. The area of exception was pay and benefits for employees in the nonprofit sector, especially those over the age of 45.[56]

Saunders highlights the paradox of working in the nonprofit sector. Many who work in the sector do so because of the "intrinsic" rewards of doing meaningful work that serves a greater good in an environment more likely to be flexible and participatory. However, nonprofit organizations will face increasing difficulties with recruitment and retention unless they address the salary issue. Nonprofit sector jobs have become more skill intensive, and sectors will compete for skilled professionals in the knowledge economy.

Saunders proposes some solutions for the nonprofit and voluntary sector's human resource challenges. They focus on five key areas, two of which have a strong social capital component:

- **Improve the funding environment.** Saunders delivers the same message that Hall, Stein, Salamon, and others have proposed: a shift away from short-term, project-based funding towards a mix that includes long-term support for capacity building.

52. Because of differences in methodology, discrepancies exist between the NSNVO/Satellite Account-based research and the CPRN/WES-based research. For more detailed information, consult the CPRN website. Please note that CPRN research defines hospitals, universities, and colleges as the "quango" (quasi-government) sector and treats them as distinct from the rest of the nonprofit sector.
53. Ron Saunders, *Passion and Commitment Under Stress: Human Resource Issues in Canada's Non-profit Sector—A Synthesis Report*. CPRN Research Series on Human Resources in the Non-profit Section Nol5. (Ottawa: Canadian Policy Research Networks, 2004), p. 2.
54. Ibid.
55. Ibid., p. 3.
56. Ibid.

- **Create a human resource sector council.** This entity could work with the sector's organizations on human resource challenges common to all such as skill development and training, recruitment, benefits, and advocacy.
- **Equalize pay rates.** Ensure competitive salaries and benefits within the sector and, over the longer term, outside of the sector as well.
- **Provide a supportive work environment.** A supportive and healthy work environment builds trust and commitment and reduces absenteeism and turnover. While the sector has a good track record here, it must ensure policies and practices that encourage flexible working conditions, open communications, involvement in decision-making, opportunities for skill development, and responsiveness to the needs and aspirations of individuals in the organization.
- **Emphasize the sector's attractions in recruitment**. The sector offers three unique advantages: "a high quality working environment, the opportunity to serve the community and to do interesting and satisfying work alongside colleagues who are committed to the same goals."[57]

Research by the Voluntary Sector Initiative (a joint undertaking of the federal government and the nonprofit/voluntary sector) adds to the sector human resource picture. In his 2001 report *Backgrounder on Trends in the Changing Workforce and Workplace,* Warren Dow examines current workforce demographics and their implications for the nonprofit and voluntary sector in the next five to six years. He suggests three responses/strategies related to demographic bands. First, the sector likely will have little difficulty attracting additional senior or managerial workers (i.e., those in the 45 to 59 age range) as they are plentiful and many are looking for new responsibilities or careers and are not experiencing acute financial pressures.

Dow predicts a shortage of workers in the mid-30s age group (a group upon which the sector depends heavily) and that the sector likely will have to reform compensation and workplace practices to become more of an employer of choice for this group. For the youngest generation (those now between their teens and late 20s), Dow sees problems related primarily to low salaries and short-term contracts. Unless it changes, the sector will have difficulty recruiting and retaining young university graduates. In summing up, Dow writes: "the literature supports the view that there will not be an acute labor shortage … between now and 2011. However, matters will be quite different immediately after that, due not only to the massive

57. Ron Saunders, "What all Board Members of Non-profits Need to Know," *Canadian Policy Research Networks Inc. 4* (January 2004), pp. 4-6. http://www.cprn.org/en/do/cfm?doc=521.

wave of retirements which will occur then, but also the greatly diminished number of young people to enter the labor force at that time.[58]

In summary, the nonprofit and voluntary sector seems to have some significant advantages (meaningful work with like-minded colleagues in generally high quality work environments) and some significant disadvantages (all the challenges associated with short-term and unpredictable funding). From a social capital perspective, the sector has a solid foundation upon which to build and an urgent need for further construction.

Relationships are Key Ingredient

Traditionally, a "good job" was full-time, permanent, and well-paid (wages and benefits). Today's work world is more complex than it used to be, and employees expect different things from their work lives. A growing body of literature links various aspects of work—including job design, compensation, work time arrangements, diversity management, training, workplace well-being, and employee involvement—to productivity.[59]

CPRN's *Changing Employment Relationships Project* took a novel approach to understanding work in Canada by focusing on employment relationships and documenting why good employment relationships (i.e., relationships linking workers with employers, business clients, and other workers) are important for workers, employers, and public policy. The central finding was that "Good employment relationships are the key ingredient of a 'good job.'"[60]

In addition to studying the legal basis of employment relationships, the researchers studied the social-psychological dimensions of trust, commitment, influence and communication (aspects of social capital).

> *Trust* is based on the expectation that an employer or client will act fairly; it assumes interdependence, mutual exchange and norms of reciprocity. For employees, trust flows from the perception that their employer is concerned about their well-being, is competent to handle organizational change, and is open and honest about change. *Commitment* refers to an individual's personal identification with an organization and its goals. *Influence* means having a say in decisions affecting one's work, including exercising discretion over work schedules and how the work gets done. *Communication* is a basic feature of any effective and cooperative work relationship: workers having a clear understanding of their role, receiving the information required to perform this role and receiving feedback on how they do it.[61]

58. Dow, Backgrounder on Trends in the Changing Workforce and Workplace, p. 35.
59. Morley Gunderson, *Rethinking Productivity from a Workplace Perspective.* CPRN Discussion Paper NoI17. (Ottawa: Canadian Policy Research Networks, 2002). http://www.cprn.org/en/doc.cfm?doc=58.
60. Graham S. Lowe and Grant Schellenberg, *What's A Good Job? The Importance of Employment Relationships.* CPRN Study No. WI05I. (Ottawa: Canadian Policy Research Networks, 2001), p. xi. Used with permission of the publisher.
61. Ibid., p. 5.

The researchers discovered that the strength of individuals' work relationships reflect the environment and affect all groups of employees pervasively, regardless of their personal background. A healthy and supportive work environment (including physical, social, and psychological aspects) is crucial in creating robust work relationships. The second most important ingredient is having the resources to do the job well. Organizational change (such as downsizing and restructuring) is an important negative influence associated with reduced levels of trust, commitment, communications, and worker influence.[62]

Furthermore, the strength of employment relationships has important consequences for employees, employers, and unions in such areas as:

- **job satisfaction**. Strong employment relationships are a key determinant of overall work life quality and are linked to such outcomes as productivity.
- **skill development and use**. Employees with strong employment relationships have more opportunities to develop and use their skills and abilities.
- **workplace morale**. Workers with strong employment relationships report good workplace morale.
- **turnover**. Weak employment relationships contribute to turnover.
- **absenteeism.** Employees in weak employment relationships report more absenteeism because of illness and injury than do employees in strong **relationships**.
- Employees in weak employment relationships are more than twice as likely to want to join a union than those in strong relationships.[63]

The authors conclude that " [a] relational perspective on work points toward the goal of creating cohesive, prosperous, and personally supportive workplaces and communities. So the defining characteristics of a good job—the qualities of trust, commitment, communication and influence—are important means for achieving broad social and economic ends."[64] This convincingly supports the value of actively fostering social capital in every organizational context. Employees and organizations benefit, as do their clients and communities.

62. Ibid., p. xiii.
63. Ibid., p. xiv.
64. Ibid., pp. xv-xvi.

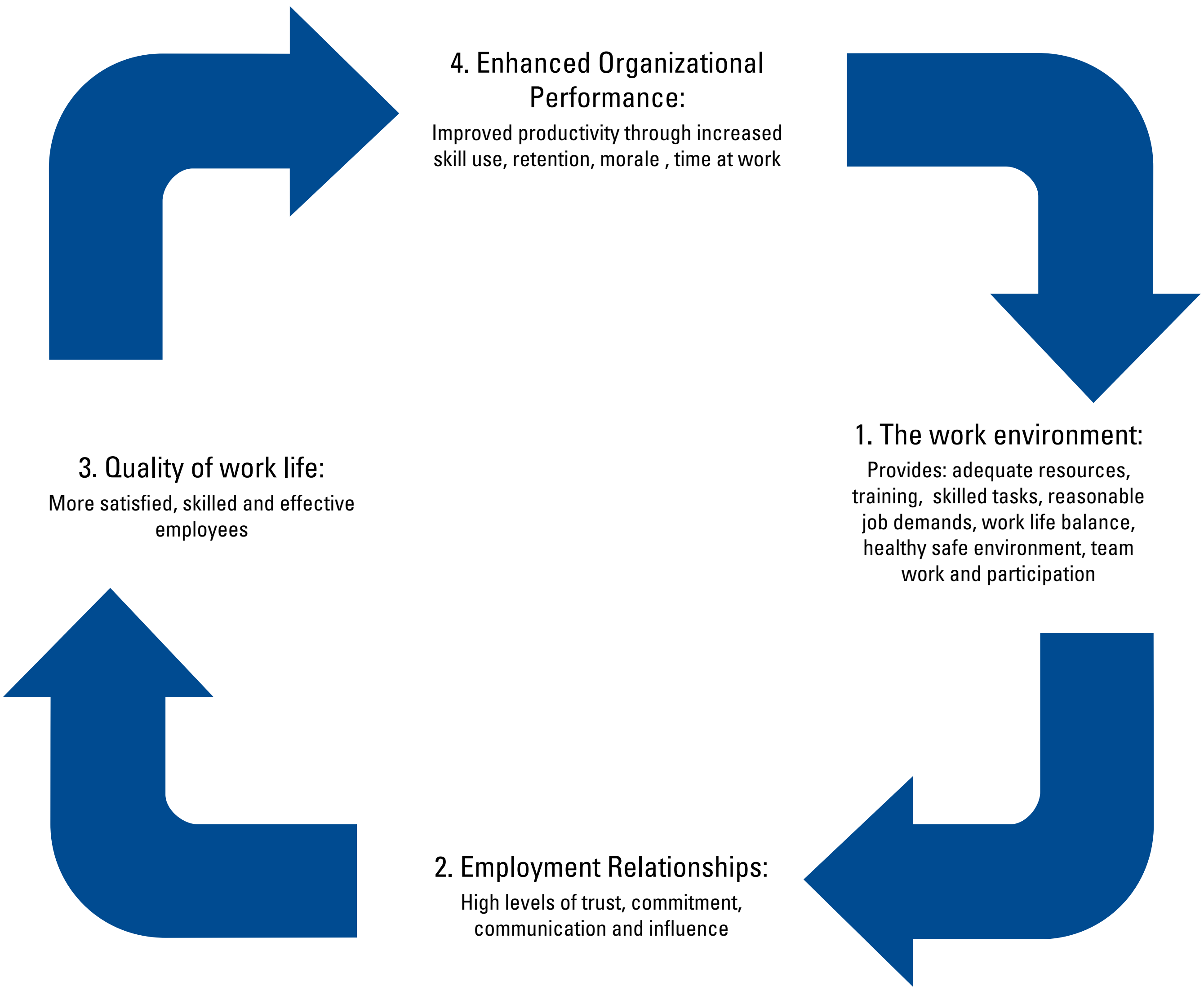

Figure 1: Organic Links[65]

65. Graham S. Lowe, "High Quality Work Environments as the Key to Attracting, Retaining and Developing Top Talent." Keynote address. Recruiting in the Public Sector Conference. Ottawa, October 24, 2001. http://www.cprn.org/en/doc.cfm?doc=214.

Effectiveness Demands It

Although workplaces should be environments in which people feel satisfied and supported, their original purpose must remain paramount. Drucker reminds us that business enterprises, public service institutions, and nonprofit organizations are "organs of society." They exist to fulfill and satisfy particular needs and purposes rather than for their own sake. They are the means, not the ends. Each organization must clarify its mission and vision and achieve and demonstrate organizational effectiveness.

The figure below illustrates the relationship between organizational performance, the work environment, employment relationships, and work life quality. Lowe and Schellenberg describe these components as being "organically linked." Similar to the ingredients of social capital (cooperation, trust, reciprocity, engagement, and collective well-being), these components interact with one another in complex and self-reinforcing ways.

In examining the challenges of rekindling employee commitment, Jaffe et al. draw attention to many of these same characteristics. Citing several research studies, they suggest that four qualities are important for high performance work and good employee health. These qualities are:

- **commitment.** Healthy employees have a sense that they do meaningful work. They have a clear vision about where they are going that is largely in line with their basic values, allowing them to be involved and motivated in their work.
- **control.** Healthy employees feel free to do what needs to be done to complete their job and achieve their vision. They feel that they have control over their jobs.
- **challenge.** Healthy employees feel open to learning continually from others about how to do things better and improve their capabilities. They see change as an opportunity to learn and develop skills.
- **connection.** Healthy employees feel able to call on others for help and support and see their coworkers as colleagues rather than competitors.[66]

Jaffe et al. focus on *empowerment* to define the process that builds commitment in the workplace. They believe that empowered individuals and groups will initiate change that will lead to an empowered organization. And an empowered organization will be a productive and effective organization.

Lowe points out that recent calls for empowerment, democratization, and participation in the workplace are nothing new. He cites the work of

66. Jaffe et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, p. 18.

Canadian business professor Donald Nightingale almost two decades ago on workplace democracy.[67] In the democratic workplaces Nightingale studied (i.e., workplaces where workers had a say in policies affecting their work life and wide scope for decision-making in their jobs), worker satisfaction and commitment was higher. And while Nightingale did not measure productivity directly, apparently a link was clear.

Lowe also cites a 15-year-old Canadian auditor general's report, *Attributes of Well-Performing Organizations*, "a remarkably insightful look into what makes public sector organizations effective in meeting their goals."[68] In an examination of eight federal organizations widely viewed by managers as doing an excellent job, the findings and conclusions were:

> "The most striking attribute of these eight organizations," the auditor general concluded, "is the emphasis they place on their people. People are challenged, encouraged and developed. They are given power to act and to use their judgment. There is a 'caring' attitude in these organizations, based on the belief that, in the long run, high performance is a product of people who care rather than of systems that constrain."[69]

Over the past 25 years, the Gallup Organization has researched employee engagement and the strength of a workplace. The research has demonstrated clearly the relationship between employee opinions on different criteria and business unit performance related to productivity, profit, retention, and customer satisfaction.[70] Gallup has identified 12 key questions as "the simplest and most accurate way to measure the strength of a workplace."[71] On a five-point scale (1 being "strongly disagree" and 5 "strongly agree"), employees in a strong workplace respond with "5s" to these questions:

- Do I know what is expected of me at work?
- Do I have the materials and equipment I need to do my work right?
- At work, do I have the opportunity to do what I do best every day?
- In the last seven days, have I received recognition or praise for doing good work?
- Does my supervisor, or someone at work, seem to care about me as a person?
- Is there someone at work who encourages my development?
- At work, do my opinions seem to count?
- Does the mission/purpose of my company make me feel my job is important?

67. Lowe, *The Quality of Work: A People – Centred Agenda*, p. 139.
68. Ibid., p. 140.
69. Ibid.
70. Marcus Buckingham and Curt Coffman. *First, Break all the Rules: What the World's Greatest Managers Do Differently* (New York: Simon and Schuster, 1999), p. 32. Used with permission of the publisher.
71. Ibid., p. 32

- Are my co-workers committed to doing quality work?
- Do I have a best friend at work?
- In the last six months, has someone at work talked to me about my progress?
- This last year, have I had opportunities at work to learn and grow?[72]

Most of these questions include a relational component and reinforce social capital's significance as an organizational asset. Organizations that support and encourage employees in being engaged and connected with one another in various ways are more effective in achieving their goals.

Competition with Other Sectors

While the definition and boundaries of the nonprofit and voluntary sector are becoming clarified in some ways, they are blurring in some other ways. The main distinction between the for-profit sector and the nonprofit sector has been the primary mission of each: one is economic and the other is social. But many businesses are attending more to mission, values, and social responsibility, and the nonprofit sector is seeking to be more enterprising, outcomes-oriented, and "high performance." Furthermore, in the United States, "[n]onprofits are engaging in the marketplace, charging fees, producing commercial products, and adopting market-savvy approaches from the business sector. Businesses, on the other hand, are entering the social services field in record numbers, meeting consumer demand for a range of services once offered only by charitable groups or the government … health and dependent care, community recreation, education, social services and job training."[73]

The Canadian context differs from that of the United States, but it too is experiencing more nonprofit social enterprise and entrepreneurship. If the nonprofit sector continues in this direction, it must ensure that it attends to the implications of social enterprise and entrepreneurship for every dimension of organizational life, including social capital.

Nonprofits also must heed what is happening in the private sector. Whatever the motivation might be, the private sector is adopting many of the values, principles, and practices traditionally in the nonprofit sector's domain. In a book rich with examples from the business world (the good, the bad, and the ugly), Jeffrey Hollender focuses on the challenges facing business and, in particular, the question "What matters most?" He emphasizes the significance of values.

72. Ibid., p. 28.
73. Shirley Sagawa and Eli Segal, *Common Interest, Common Good: Creating Value Through Business and Social Sector Partnerships* (Boston: Harvard Business School Press, 2000), p. 236.

> … corporate social responsibility is not primarily an individual ethical issue. It is more of an issue of values and corporate culture against which individual behavior can be measured. Instituting a value system that places appropriate emphasis on accounting for social *externalities*—pollution, environmental degradation and resource consumption, health effects of the workplace environment on employees, the need to create a work environment that fulfills all the needs and aspirations of its employees, and finally sustainability in all its myriad forms—is no longer a luxury, a sideshow, or a shallow public relations exercise. It must become a critical part of every company's core competence and strategy, integral to their internal behavior and culture.[74]

In *Value Shift,* Lynn Paine makes a similar case, saying employees, customers, investors, and citizens are measuring companies against a performance standard qualitatively different from that of the past. Traditional measures were purely financial. The new standards incorporate both social and financial expectations. Paine gives several reasons for the business sector's growing interest in values, including ones related to risk management, organizational functioning, market positioning, civic positioning, and—to a lesser degree—simply finding "a better way" (i.e., respectful of such fundamental, life-affirming principles as responsibility, humanity, and citizenship).[75] Paine notes that the corporate world has shifted in only a few decades from the notion that "ethics costs" to "ethics pays," and growing evidence suggests that "ethics and economic advantage often do go hand in hand."[76] This relates in part to the simple reality that "most people prefer to work and do business with companies that are honest, reliable, fair, and considerate."[77] It also relates to the changing role of companies, many of whom are now pervasive and powerful global actors.

> While people today expect companies to demonstrate technical excellence, to be efficient, and to create wealth, they also expect them to behave as moral actors exhibiting a range of competencies required of other moral actors. Among these are the ability to frame their own purposes, to conform their activities to basic ethical standards, to show consideration for others, to exercise moral judgment in conducting their affairs, to accept responsibility for their errors and misdeeds, and to contribute to the larger community to which they belong.

74. Jeffery Hollender and Stephen Fenichell, *What Matters Most: How a Small Group of Pioneers is Teaching Social Responsibility to Big Business and Why Big Business is Listening* (New York: Basic Books, 2004), p. xv.
75. Paine, *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*, p. 7.
76. Ibid., p. 54.
77. Ibid.

> The moralization of the corporation provides the key to understanding the recent turn to values.[78]

Paine suggests that creating an organization's "moral centre" requires a thoughtful, comprehensive, management-led process exploring four themes:

- **purpose.** What is the company's purpose? Besides creating wealth and using resources efficiently, what does the company contribute to society? How do its products and services add value to people's lives?
- **principles.** What principles guide the company? What precepts guide how its people fulfill its purpose? What standards are nonnegotiable? What are the company's ideals and aspirations?
- **people.** What is the company's concept of the person? Who belongs to its moral community? Whose interests does it consider in making decisions?
- **power.** What is the scope of the company's power and authority? To whom and for what is the company accountable? How does the organization allocate decision-making authority?[79]

Paine also discusses how ethics/morals/values can guide daily decision-making in organizations. She suggests that the four lenses of purpose, principles, people, and power create a metaphorical "manager's compass" that can guide direction and ensure that principles become practices. For Paine, the "centre-driven" company balances sound economic practices with sound ethical practices. She emphasizes that future leaders must be more accountable for making the world a more just and humane place as well as a prosperous one.

In *The Future of Work,* MIT management professor Thomas Malone delivers a similar message. Saying that information technology has changed how work is organized, he advocates a shift from the traditional "command and control" model to one he describes as "coordinate and cultivate" (i.e., coordinating activities and cultivating people). Fundamental to this new way of working is "putting human values at the center of business." Malone makes the point that people's non-economic values already play a major role in their economic decisions and will continue to as people have access to more and more information about businesses and corporations. Websites such as IdealsWork enable consumers to "compare the social and environmental performance of thousands of product brands according to the user's own individual values."[80] Malone goes on to say that "Many companies are beginning to measure themselves on a so-called

78. Ibid., p. 105.
79. Ibid., p. 194.
80. Malone, Thomas W. *The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life* (Boston: Harvard Business School Press, 2004) p. 178.

triple bottom line: financial, social, and environmental (or 'profits, people, and planet')."[81] Malone reminds us that human values (for freedom, material well-being, or whatever matters to people) drive progress and influence choices consciously or unconsciously. Like other contemporary organizational thinkers, he says people must "think deeply" about what really matters and start reflecting on what is good for people.

Shifts occurring in the private sector are mostly positive, and this changing scene provides the broader context in which the nonprofit sector must recruit and retain staff. *Canada's Top 100 Employers* lists few nonprofit organizations. Perhaps nonprofits pay little attention to such rankings, or they are too busy doing the work to apply. The significance of such compilations is that they highlight the value that many organizations and companies place on creating healthy, vibrant workplaces (and being seen as doing so). They may not call it "social capital" but it clearly is. These organizations and companies also value corporate citizenship. All are engaged in supporting various charitable initiatives (both financially and through employee time) in their communities and beyond.[82]

The "unique advantages" of nonprofit and voluntary sector work ("a high quality working environment, the opportunity to serve the community and to do interesting and satisfying work alongside colleagues who are committed to the same goals"[83]) pale when examined in the context of changing for-profit priorities. Nonprofit organizations must work harder to create nurturing environments rich in social capital in order to recruit and retain competent, committed people who will deliver high-quality, effective programs and services.

Collaboration with Other Sectors

While nonprofits compete with the private and public sectors, they also collaborate with them. Indeed, sustaining the nonprofit sector and Canada's quality of life depends increasingly on effective collaboration among all three sectors. Nonprofits face the challenge of stepping outside their relatively dis-empowered, disadvantaged position compared with the other sectors *vis-à-vis* funding. Authentic three-way conversations require shared power and respect for the unique contribution that each party makes in a particular endeavour.

In *Teamwork is an Individual Skill,* Christopher Avery discusses some "keys to extraordinary collaboration," including the notion of *exchange.*

> We cannot have ongoing collaborations if our relationships are out of exchange. Exchange is the foundation for all

81. Ibid.
82. Organizations that apply for inclusion in *Canada's Top 100 Employers* are assigned grades in seven areas including: physical workplace; work atmosphere and social activities; health, financial, and family benefits; vacation and time off; employee communications; performance management; and training and skills development. Information about each employer's charitable efforts and community is included. This was added after an observation made while compiling the first edition that "there is a strong correlation between charitable work and how an employer treats its own employees. Employers who take a broader view of their responsibilities to the community, it turns out, are almost always better places to work."
83. Saunders, "What All Board Members Need to Know," p. 6

> business relationships. In fact, social exchange theorists offer a powerful argument that exchange is the basis of all relationships. In other words, we take turns granting favors, taking risks, talking and listening, giving and receiving, back-scratching, etc. I've observed in the workplace that the cornerstone of collaboration is positioning one's relationships so that each party is providing value and receiving value and perceives that the relationship is fair in that regard. If the relationship is not considered to be in exchange by each party, collaboration attempts will fail.[84]

In other words, "To be 'in exchange' each party to a relationship must be providing and receiving fair value—as each perceives it."[85] In addition to exchange, extraordinary collaboration requires integrity. Avery cites Buckminster Fuller's definition of integrity: "Integrity is the ability of a system to maintain shape under pressure."[86] Practices that support integrity in relationships include frequent communication of both information and perceptions, making and keeping agreements, and having conflict resolution processes that are understood and accepted. These practices build and sustain trust. These practices build and sustain social capital. Coleman might say that successful collaboration *is* social capital.

Many examples of successful cross-sector partnerships and collaborations exist across the country. This area holds great promise for creative new endeavors that will require the sectors to engage with one another in more respectful, equitable, and meaningful ways. As nonprofits nurture organizational social capital, they also will want to broaden, deepen, and strengthen networks within their communities.

84. Christopher Avery, *Teamwork is an Individual Skill: Getting Your Work Done when Sharing Responsibility* (San Francisco: Berrett-Koehler Publishers, 2001), p. 160.
85. Ibid., p. 162.
86. Ibid., p. 168.

The Leader/Manager Role

Chapter 3

The Leader/Manager Role

> *Management as a practice is very old. The most successful executive in all history was surely that Egyptian who, forty-seven hundred years or more ago, first conceived the pyramid—without any precedent—and designed and built it, and did so in record time.... But as a discipline, management is barely fifty years old.... No function in history has emerged as fast as management and managers have in the last fifty to sixty years and surely none has had such worldwide sweep in such a short period.... just as the essence of medicine is not the urinalysis .... the essence of management is not techniques and procedures. The essence of management is to make knowledge productive. Management, in other words, is a social function. And in its practice, management is truly a "liberal art."*
>
> - Peter Drucker[87]

Most nonprofit sector supervisors or managers have had little formal education or training for their roles. They "fly by the seat of their pants," guided somewhat by board expectations and job descriptions and influenced largely by personal style. Books, articles, and websites offer a vast range of ideas on management and leadership for those who have time to consult them. The depth and breadth of advice available can be overwhelming, and nearly every perspective or position is supported somewhere.

Thinking About Management

Peter Drucker has been writing about economics and society for more than 60 years. Acknowledging that "management" often is associated with *business* management, Drucker clearly states that management "… pertains to every human effort that brings together in one organization people of diverse knowledge and skills."[88] In fact, Drucker suggests that management is a liberal art—"'liberal' because it deals with the fundamentals of knowledge, self-knowledge, wisdom and leadership; 'art' because it is also concerned with practice and application."[89]

According to Drucker, management rests on these essential principles:

- Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant. This is the purpose of organization.
- Because management unites people in a common venture, it is deeply embedded in culture. *What* managers in different countries do is exactly the same. *How* they do it will differ greatly.

87. Peter F. Drucker, *The Essential Drucker: The Best of Sixty Years of Peter Drucker's Essential Writings on Management* (New York: HarperCollins, 2001), p. 313.

88. Ibid., p. 8.

89. Ibid., p. 13.

- Every enterprise requires commitment to common goals and shared values. Management's first job is to think through, set, and exemplify those objectives, values, and goals.
- Management must enable the enterprise and each of its members to grow and develop as needs and opportunities change. Every enterprise is a learning and teaching institution, and continuous training and development must be built into it on all levels.
- Every enterprise has people with different skills and knowledge doing many different kinds of work. It must be built on communication and on individual responsibility. All members must think through what they aim to accomplish, what they owe to others, and what they need from others.
- Neither the quantity of output nor the "bottom line" adequately measures the performance of management and enterprise. Just as a human being's health and performance is assessed by diverse measures, an organization needs diverse evaluation. Performance must be measured and improved continually.
- Finally, the single most important thing to remember about any enterprise is that results exist only on the outside. The result of a business is a satisfied customer. The result of a hospital is a healed patient. The result of a school is a student who has learned something and puts it to work years later.[90]

Three essential tasks flow from these management principles:

- Establish the institution's specific purpose and mission.
- Make work productive and workers effective.
- Manage social impacts and responsibilities.[91]

People are the "only one true resource," regardless of the type of enterprise or institution, says Drucker. He acknowledges the importance of seeing each "worker" as a human being with all the complexity that this entails. He also suggests that one does not "manage" people but "leads" them with a goal of making each person's strengths and knowledge productive. He stresses that no normative organizational structure exists and that management must create an organization that suits its task.

Drucker has reflected on "what the nonprofits are teaching business." He says that, although the social sector in the United States has not expanded in the last 10 to 20 years in terms of volunteer numbers or dollars raised, it has grown tremendously in the scope of its work, productivity, and its contribution to society. He refers to the sector as "generating a powerful

90. Ibid., pp. 10-12. Copyright ©1988 by Transaction Publishers. Reprinted by permission of the publisher.

91. Ibid., pp. 14-15.

countercurrent" to the "decay and dissolution of family and community" by "forging new bonds of community, a new commitment to active citizenship, to social responsibility, to values."[92] Furthermore, citing "managing the knowledge worker for productivity [as] the next great challenge for American management," he claims that "nonprofits are showing us how to do that. It requires a clear mission, careful placement [of employees and volunteers] and continual learning and teaching, management by objectives and self-control, high demands but corresponding responsibility, and accountability for performance and results."[93]

Are Leadership and Management Synonymous?

Some people equate the qualities of effective leadership with those of effective management. For others, the differences between leadership and management, between leader and manager, range from subtle to dramatic. Warren Blank says that managers are *given* their role whereas leaders *take* their role.[94] Warren Bennis says leaders "master the context" whereas managers "surrender to it."[95] For example, "the manager administers, the leader innovates; the manager maintains, the leader develops; the manager relies on control, the leader inspires trust; the manager is the classic good soldier, the leader is his or her own person."[96] For John P. Kotter, management copes with complexity (through planning and budgeting, organizing and staffing, controlling and problem-solving) while leadership deals with change (through setting a direction, aligning people, and motivating people).[97]

Reflecting on leadership in the nonprofit sector, Burt Nanus and Stephen M. Dobbs say never to confuse leadership with management or administration. They say that leadership and management are very different functions, requiring different mindsets and different skill-sets. According to them, managers are more focused on the present, as they are responsible for processes and operations, costs and performance. Leaders, on the other hand, are building the organization's future. Nonprofit organizations need both good leadership and good management to be successful but are unlikely to find one person equally skilled in both roles.[98] This poses a challenge for many nonprofit organizations that cannot afford to separate these functions even if they want to.

Multiple Opportunities to Foster Social Capital

Clearly, the way an organization is "managed" greatly affects employee satisfaction, productivity, and organizational success. Obviously, the leader/manager significantly influences the nature of organizational culture. Cohen and Prusak tell leaders to exercise "light-touch leadership,"

92. Ibid., p. 49.
93. Ibid., p. 50.
94. Warren Blank, *The 108 Skills of Natural Born Leaders* (New York: AMACOM, a Division of the American Management Association, 2001), p. 17.
95. Warren Bennis, *On Becoming a Leader* (Cambridge: Perseus Books, 2003), p. 39.
96. Ibid.
97. John P. Kotter, *John P. Kotter on What Leaders Really Do* (Boston: A Harvard Business Review Book, 1999), pp. 52-62.
98. Burt Nanus and Stephen M. Dobbs, *Leaders Who Make a Difference: Essential Strategies for Meeting the Nonprofit Challenge* (San Francisco: Jossey-Bass Publishers, 1999), pp. 8-11.

the first principle of which is to do no harm. In other words, leader/managers must take care not to damage the organization's existing social capital.

> This advice is not nearly as passive as it sounds. It means, first of all, understanding the hidden social capital in the organization: It is easy to crush something you cannot see…. It also means valuing the social capital you recognize. Almost every managerial decision, from hiring, firing and promotion to putting in new technology to establishing revenue goals … and designing office space affects social capital. All of those activities are opportunities for social capital investment or occasions of social capital loss.[99]

Kotter emphasizes the significance of "networks" in his discussion of effective general managers. He describes agenda-setting and network-building as central to how effective executives approach their jobs. He suggests that "excellent" general managers recognize that developing a network of cooperative relationships is essential to successfully implementing the organizational agenda. While he never uses the term "social capital," Kotter's description of network-building activity is a description of fostering social capital. It recognizes that these relationships vary in type and intensity, are cultivated in different ways, and are essential to getting the work done.

The Gallup Organization has paid particular attention to one dimension of organizational social capital—the relationship between the employee and her/his immediate supervisor/manager. Gallup's extensive research on employee opinions concludes that the front-line manager is "the key" to recruiting and retaining talented employees. Buckingham and Coffman suggest that front-line supervisors/managers "are not just leaders-in-waiting" and that "great" managers:

- Select for talent rather than experience, intelligence, or determination.
- Set expectations by defining the right outcomes rather than the right steps.
- Motivate by focusing on strengths rather than weaknesses.
- Develop each person by finding the right fit rather than the next rung on the promotion ladder.[100]

Front-line managers must work to create an environment in which employees will "strongly agree" with each of the six following questions:

99. Cohen and Prusak, *In Good Company: How Social Capital Makes Organizations Work*, pp. 23-24. Used with permission of the publisher.
100. Buckingham and Coffman. *First, Break all the Rules: What the World's Greatest Managers Do Differently*, pp. 66-67.

- Do I know what is expected of me at work?
- Do I have the materials and equipment I need to do my work right?
- Do I have the opportunity to do what I do best every day?
- In the last seven days, have I received recognition or praise for good work?
- Does my supervisor, or someone at work, seem to care about me as a person?
- Is there someone at work who encourages my development?[101]

The Brookings Institutions's Center for Public Service researches the nonprofit sector in the United States. In *Pathways to Nonprofit Excellence,* researcher Paul Light says that "it is impossible to overstate the importance of the leader to the high-performing organization."[102] Leadership is deeply intertwined with mission, and "participatory, democratic leadership that draws upon the strengths inside and outside the organization" is the preferred leadership style.[103] Effective nonprofit leaders communicate well, build relationships, stay focused on mission, get out of staff's way, and are ready to say no when necessary.[104] In other words, the leader's work is to "make it easy for the organization in sum to be greater than its parts."[105]

In *Leaders Who Make a Difference: Essential Strategies for Meeting the Nonprofit Challenge,* Nanus and Dobbs describe the need for "a new kind of nonprofit leader who is able to achieve these goals:

- Build an organization that is responsive to present and emerging community needs, capable of delivering high-quality services, firmly integrated into its community, and highly innovative in its approach to both operations and outreach.
- Build and sustain mutually beneficial relationships, based on trust, integrity, and credibility, with a multiplicity of constituencies, including staff, donors, volunteers, the client community, the board of directors and the general public.
- Promote agreement on a shared vision, mission, and set of values that provide meaning to all the constituencies and guide the evolution of the organization.
- Design effective policies and strategies for change and ensure that the necessary changes are implemented in order to move the nonprofit organization in the desired direction.

101. Ibid., p. 29.
102. Paul Light, *Pathways to Nonprofit Excellence* (Washington: Brookings Institution Press, 2002), p. 50. Used with permission of the publisher.
103. Ibid., p. 69.
104. Ibid., p. 110.
105. Ibid., p. 114.

- Ensure that the organization is an exciting and vital place to work so staff and volunteers can collaborate creatively and enthusiastically, perpetually growing, learning and deepening their understanding of how to help their community.
- Develop and grow as leaders themselves, and support the development of others in order to expand the pool of potential and seasoned nonprofit leaders."[106]

106. Nanus and Dobbs, *Leaders Who Make a Difference: Essential Strategies for Meeting the Nonprofit Challenge*, p. 50.

4

Assessing an Organization's Social Capital

Chapter 4

Assessing an Organization's Social Capital

The Western world's preoccupation with measurement is deeply rooted in an old, mechanistic paradigm that:

> … has shaped our modern Western society and has significantly influenced the rest of the world. This paradigm consists of a number of entrenched ideas and values, among them the view of the universe as a mechanical system composed of elementary building blocks, the view of the human body as a machine, the view of life in society as a competitive struggle for existence, the belief in unlimited material progress to be achieved through economic and technological growth, and—last, but not least—the belief that a society in which the female is everywhere subsumed under the male is one that follows a basic law of nature.[107]

In this paradigm, technology emerges as the best solution, only numbers and things are "real," and only the measurable can be managed.[108] Capra goes on to say that all of these assumptions have been fatefully challenged.

Another perspective on measurement is emerging from the awareness of the inter-relationships and interdependencies identified in psychological, biological, physical, social, and cultural phenomena that lead to a new holistic, ecological paradigm. Senge et al. assert that "… the fundamental insight of twentieth-century physics has yet to penetrate the social world: *relationships are more fundamental than things."*[109] Reflecting on the growing gap between human power (as evidenced in technological progress and global economic growth) and human wisdom, they comment on the problems with the way both science and society approach measurement.

> Not only does over-reliance on measurement doom modern society to continuing to see a world of things rather than relationships, it also gives rise to the familiar dichotomy of the "hard stuff" (what can be measured) versus the "soft stuff" (what can't be measured). If what's measurable is "more real," it's easy to relegate the soft stuff, such as the quality of interpersonal relationships and people's sense of purpose in their work, to a secondary status. This is ironic because the soft stuff is often the hardest to do well and the primary determinant of success or failure.[110]

Although this does not mean that quantitative measurement should be abandoned, people must not allow numbers to distract them from what

107. Fritjof Capra, *The Web of Life: A New Scientific Understanding of Living Systems* (New York: Anchor Books Doubleday, 1996), p. 6.
108. Margaret Wheatley, *Finding Our Way: Leadership for an Uncertain Time* (San Francisco: Berrett-Koehler Publishers, 2005), pp. 146-47.
109. Peter Senge et al., *Presence: Human Purpose and the Field of the Future* (Cambridge: The Society for Organizational Learning, 2004), p. 199.
110. Ibid., p. 198.

really matters. Wheatley makes the point by asking, "What are the problems in organizations for which we assume measures are the solution? Assumedly, most managers want reliable, quality work. They want people to perform better. They want accountability, focus, teamwork, and quality."[111] Wheatley suggests that these behaviors are "never produced by measurement … they are contributed or withheld by individuals as *they choose* whether and how they will work with us."[112] Highlighting the critical role feedback plays and the significant differences between measurement and feedback, Wheatley argues that people must ensure that "the greater meaning of the work define(s) the measures" rather than the measures defining what is meaningful.[113] Wheatley advocates for highly participatory measurement processes in which everyone is involved in defining, using, and modifying the measures. Such processes increase organizational capacity, adaptability, and effectiveness.

Identifying Factors

Because social capital is intangible and inherent in relationships between people, it is challenging to measure. The literature on social capital suggests that the most useful measures are "indicators" that can either be observed or identified through interview or survey formats. Of course these indicators must be appropriate to the context in which the social capital is being measured. Laforest and Phillips suggest three types of variables that indicate the existence of social capital: volunteering and participating, social trust, and associational activity. Social capital's impact on outcome measures of social, health, and economic well-being also are considered relevant.[114] Putnam uses a "composite indicator" that measures such variables as: the intensity of involvement in community and organizational life, public engagement, volunteering, informal socializing, and reported levels of interpersonal trust.[115] Aldridge suggests that a very simple measure of social capital in any context is whether people think other people can be trusted.

Bryant and Norris identify a growing interest in Canada as well elsewhere in the role that social capital plays in determining social, economic, and health outcomes.[116] Statistics Canada has conducted several surveys that have included questions attempting to measure social capital. Adopting the approach of the United Kingdom's Office of National Statistics, these five themes related to social capital measurement were identified:

111. Wheatley, *Finding Our Way: Leadership for an Uncertain Time*, p. 157.
112. Ibid.
113. Ibid., p. 162.
114. Rachel Laforest and Susan Phillips, *The Voluntary Sector: A Productive Force in the New Economy.* A discussion paper prepared for Industry Canada. (Ottawa: Carleton University, Centre for Voluntary Sector Research and Development, 2003), p. 13.
115. Aldridge, Halpern, and Fitzpatrick. *Social Capital: A Discussion Paper*, pp. 13-14.
116. Cindy-Ann Bryant and Doug Norris, "Measurement of Social Capital: The Canadian Experience." Statistics Canada country report for the OECD-UJ ONS International Conference on Social Capital Measurement. London, September 25-27, 2002, p. 3. Statistics Canada information is used with the permission of Statistics Canada. Users are forbidden to copy this material and/or redisseminate the data, in an original or modified form, for commercial purposes, without the expressed permission of Statistics Canada. Information on the availability of the wide range of data from Statistics Canada can be obtained from Statistics Canada Regional Offices, its World Wide Web site at http:www.statcan.ca. and its toll-free access number 1-800-263-1136.

- **social participation, social engagement, and commitment**. This includes participation in voluntary organizations, involvement in social clubs or groups, political action and civic engagement, provision of help to others, and a sense of belonging to the community. It also includes group homogeneity, whether in terms of cultural or ethnic background, language, religion, or other demographic factors.
- **level of empowerment (control, self-efficacy).** This deals with people's sense of satisfaction in life and perception of control over their lives and things happening around them. Levels of self-esteem and confidence are also relevant.
- **perception of community.** This considers satisfaction levels with community of residence (i.e., services available, perceptions of crime and safety, and quality of life).
- **social networks, social support, and social interaction.** This focuses on social networks, including contact with friends and family, support systems, and depth of relationships. Interaction with others and benefits from the relationships are key.
- **trust, reciprocity, and social cohesion.** This concentrates on trust in both people and institutions and in reciprocity.[117]

While these themes address measurement of social capital at the community level, they also can be adapted to create criteria relevant in other contexts. In an organization, indicators of the nature and strength of the social capital might be:

- To what degree and in what ways do you perceive the organization positively or negatively? How is it inclusive or exclusive?
- To what degree are individuals engaged with their work? With their colleagues? With the organization as a whole?
- To what degree do individuals participate in work tasks? In their team or work unit? In voluntary activities?
- To what degree do you feel that you have influence upon and control over various aspects of organizational life? Are you satisfied with your level of influence and control?
- To what degree are you aware of both formal and informal social networks and interaction? Are ties between people strong or weak? Who is connected to whom and for what purposes?
- To what extent do you trust your colleagues? Management? The organization as a whole?

117. Ibid., p. 4.

- To what degree is communication free-flowing? Clear? Open? Honest? Respectful?
- To what degree does information flow freely? To what degree is it accessible to all? To what degree is it timely?
- To what degree is emotional support given and received? To what degree is informational support given and received? To what degree is task-related support given and received?
- To what degree are you committed to the organization? To your colleagues? To your clients?

Although this is not an all-inclusive list, it presents a basic framework for capturing an organization's social capital.

Processes and Tools

Observation

Day-to-day work provides many opportunities for people to be aware of how they influence others, and how others influence them. Every day people participate in numerous exchanges and interactions in which information and knowledge are shared, support is given and received, and behaviours encouraged or sanctioned. This is social capital alive and around the workplace. People tend to pay little attention to it. They take it for granted when their needs are being well met in the work environment. When stocks of social capital run low or become depleted, they might describe it as "poor morale," "burned out staff," or "bad management."

Assessing the nature and strength of an organization's social capital is as simple as observing the organizational culture. An organization's culture is a living phenomenon that constantly changes and evolves as members come and go and as members interact with one another as they do their work. People often minimize the significance to the "team" when a person arrives or leaves, but these changes can have huge ripple effects in the networks of relationships that exist throughout the organization.

Edgar Schein suggests that really understanding an organization's culture requires attending a meeting of members of the organization.[118] Careful observation and reflective participation in such a meeting reveals more about how the organization actually functions than reading mission or value statements.

Senge et al. recommend several practices that can assist people to see an organization's living process, especially the part that individuals play in enacting the organizational culture and maintaining its patterns. For

118. Senge et al., *Presence: Human Purpose and the Field of the Future,* p. 48.

example, one might participate in a meeting as one normally would, while paying particular attention to an incident that is emotionally engaging. After the meeting, recreate the incident (with the thoughts and feelings that accompanied it) either by writing it down or talking it through with a colleague. Doing this exercise repeatedly will increase awareness of "… where you felt (emotionally) safe and where you felt threatened … where you were conflicted and where you were aligned with what was happening around you … where you were distracted and where you were fully present."[119] A further deepening of understanding of organizational processes comes from imagining these scenarios from other participants' points of view.

People must first *see* social capital before they can nurture it. They do this by paying attention to the organizational culture, the networks of relationships that exist in that culture, and the role they play in these various networks.

Individual and Group Reflection

When an organization considers social capital as important an asset as physical, financial, and human/intellectual capital, it can then ensure that social capital is recognized and nurtured. Nurturing social capital means nurturing healthy and positive relationships among all members of the organization. It also means addressing issues that manifest in unhealthy and unproductive relationships.

Organizations can use both formal and informal reflective processes to begin to see social capital. Reflection can happen individually and in groups. The important thing is that reflection is valued, and time and space created for it.

Productive group reflection requires an environment of emotional safety, time, and respectful and meaningful dialogue. Reflection honours the beliefs that:

- There are many ways of doing most things.
- People can disagree without conflict.
- Diversity and inclusivity are important.
- Common goals unite people.

One important process of reflection is "scenario thinking" or "scenario planning." This tool or process enables groups and organizations to think about and plan for the future. The group creates hypotheses or stories about how that future might unfold. These are not predictions but

119. Ibid., p. 49.

rather ways of envisioning change. Done well, this process facilitates organizational planning and nurtures social capital in several ways.[120]

While group reflection can be organized around discussion of a particular issue or problem, it also can be organized around a question or a series of questions. At a workshop on social capital in organizations, participants pondered the following questions:

- Are you concerned about recruitment and retention in your organization?
- Are you concerned about succession planning and leadership development in your organization?
- What practices is your organization using to address the above concerns?
- How is the notion of "social capital" as a "significant organizational asset" useful to you?
- On a scale from 1 to 10 (with 1 being "very weak" and 10 being "very strong"), how would you rate the general strength of the social capital in your organization? How would your most committed staff member rate it? How would your least committed staff member rate it?
- What values, principles, and practices in your organization foster strong and healthy social capital? What else could you be doing?

After the workshop, several participants said that they intended to use these questions as a discussion guideline at their next staff meetings.

The Employee Survey

A simple but effective way to assess the nature and strength of social capital in an organization is to ask the members of the organization. People generally know what they need to do their work well and to feel connected with the organization and with their colleagues. While some aspects of organizational life are common to all groups, each organization is unique. Different groups have different values and priorities. As Wheatley suggests, members of the organization should be actively involved in determining the criteria by which they will measure the nature and strength of their social capital.

The annual employee survey is a tool that some organizations use to measure employee satisfaction. This tool differs from the annual employee performance appraisal, which tends to emphasize what the employee is (or could be/should be) giving to the organization. The employee survey focuses

120. See Art Kleiner, "Four Futures for Organizing and Leading in the New Economy," *Reflections* 3,1. http://www.generonconsulting.com (accessed February 5, 2005). Diana Scearce, Katherine Fulton, and the Global Business Network, *The Art of Scenario Thinking* for *Nonprofits* (Emeryville, CA: Global Business Network, 2004).

more on the relationship between the employee and the organization and what the organization is (or could be/should be) giving to the employee. The tool implies a mutuality in the relationship between the employee and the organization that goes beyond the legal/contractual obligations.

In the private sector, an outside consultant usually administers the annual employee survey and shares the results with management of the organization. How this information is disseminated and used to guide organizational change varies from organization to organization.

Nonprofit and voluntary sector organizations rarely have the resources to contract with an outside consultant to gather such information, and it is not necessary. The tool itself should reflect the needs and interests of the members of the organization, so they should have input into its design. The important thing about gathering and collating the information is to ensure that the respondents' confidentiality and anonymity is protected. Individuals who may be entrusted to perform this task might include a board member, a graduate student from a local university or a colleague at another organization.

Members of the organization determine who should receive the results and what process will be used to interpret the results. An important question to ask about the results is: What do they mean? People will interpret the information in different ways, and the organization must allocate time and space for follow-up dialogue and action. When an organization asks employees for feedback, it must *do something* with it.

The following employee survey template can be modified to suit each organization's needs. Many employee surveys focus primarily on *individual employee satisfaction* and include many more questions about such aspects as salaries and benefits. Here the interest is on *organizational social capital* and the questions are intended to generate information on employees' perceptions of their work experience and environment. These perceptions provide useful information about the relational dimension of the organization. Such information can inform change efforts aimed at increasing both employee well-being and organizational effectiveness.

Sample Employee Survey

Organizational Effectiveness

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
This organization is a valued resource in our community.	1	2	3	4	5	N/A
This organization has all the resources it needs to do good work.	1	2	3	4	5	N/A
I am aware of the organization's values, mission, and vision.	1	2	3	4	5	N/A
My personal values align with the organization's values.	1	2	3	4	5	N/A
This organization values its employees.	1	2	3	4	5	N/A
This organization is well-managed.	1	2	3	4	5	N/A
I trust the leader/manager to treat me fairly.	1	2	3	4	5	N/A
I trust the leader/manager to keep me informed about matters affecting me.	1	2	3	4	5	N/A
The leader/manager is open and honest in her/his communication with employees.	1	2	3	4	5	N/A
The leader/manager treats everyone in the organization equitably.	1	2	3	4	5	N/A
This organization is committed to ongoing learning.	1	2	3	4	5	N/A
This organization is responsive to the changing needs of clients and community.	1	2	3	4	5	N/A
Wages and benefits are adequate.	1	2	3	4	5	N/A
The board of directors is effective.	1	2	3	4	5	N/A

Environment/Atmosphere

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
The physical environment is welcoming, comfortable, and safe.	1	2	3	4	5	N/A
I have the freedom to personalize my workspace.	1	2	3	4	5	N/A
I have the equipment and technology needed to do my job.	1	2	3	4	5	N/A
I have enough time and space for connecting with my colleagues.	1	2	3	4	5	N/A
The morale in my workplace is good.	1	2	3	4	5	N/A
People treat each other respectfully.	1	2	3	4	5	N/A
I feel like I belong here.	1	2	3	4	5	N/A
When I have a concern, I feel free to express it.	1	2	3	4	5	N/A
When I express an idea, I feel that it is heard.	1	2	3	4	5	N/A
Communication is good among the people with whom I work.	1	2	3	4	5	N/A
The people with whom I work are cooperative.	1	2	3	4	5	N/A
We deal with issues and conflicts before they “go underground.”	1	2	3	4	5	N/A
People in the workplace accept me for who I am.	1	2	3	4	5	N/A
I can count on my colleagues for emotional support when I need it.	1	2	3	4	5	N/A
I can count on my colleagues for information I need to do my job.	1	2	3	4	5	N/A
We celebrate and have fun together regularly.	1	2	3	4	5	N/A
I adequately understand the work my colleagues do.	1	2	3	4	5	N/A

Personal Contribution and Achievement

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I clearly understand what is expected of me in my job.	1	2	3	4	5	N/A
My job makes good use of my skills and abilities.	1	2	3	4	5	N/A
I have access to the information I need to do my work.	1	2	3	4	5	N/A
I am free to decide how to do my work.	1	2	3	4	5	N/A
My workload is reasonable.	1	2	3	4	5	N/A
I have access to the supervision and support I need to do my work.	1	2	3	4	5	N/A
I have access to professional development and training opportunities.	1	2	3	4	5	N/A
I can influence decisions that affect my work life.	1	2	3	4	5	N/A
I am encouraged to take risks and be innovative.	1	2	3	4	5	N/A
I get recognition for doing my work well.	1	2	3	4	5	N/A
I know whom to ask when I have questions.	1	2	3	4	5	N/A
My organization has policies and practices that support work/life balance.	1	2	3	4	5	N/A
I believe that I am growing and developing as a professional in this work environment.	1	2	3	4	5	N/A

Supervision and Support

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I know who my direct supervisor is.	1	2	3	4	5	N/A
My supervisor values my contribution and treats me with respect.	1	2	3	4	5	N/A
I know what my supervisor expects of me.	1	2	3	4	5	N/A
I know what I can expect of my supervisor.	1	2	3	4	5	N/A
My supervisor has the knowledge and skills to support me in my work.	1	2	3	4	5	N/A
My supervisor encourages peer consultation and collaboration.	1	2	3	4	5	N/A
My supervisor is an effective leader/manager.	1	2	3	4	5	N/A
My supervisor is approachable and available.	1	2	3	4	5	N/A
I receive feedback regularly on my work.	1	2	3	4	5	N/A
The performance appraisal process is fair and helpful.	1	2	3	4	5	N/A

Engagement and Commitment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I am proud to work for this organization.	1	2	3	4	5	N/A
I feel strongly committed to the organization's mission and the people it serves.	1	2	3	4	5	N/A
I feel strongly committed to my colleagues.	1	2	3	4	5	N/A
I feel confident that the organization will continue to be effective.	1	2	3	4	5	N/A
My career goals can be met in this organization.	1	2	3	4	5	N/A

I have been with the organization:

☐ less than a year ☐ 1-2 years ☐ 3-5 years ☐ 5-10 years ☐ more than 10 years

I see myself staying with this organization for:

☐ less than a year ☐ 1-2 years ☐ 3-4 years ☐ 5 or more years

Please comment on the organization/workplace assets or strengths.

What changes would improve the organization, the work environment and your experience working here?

5

Strengthening Social Capital

Chapter 5

Strengthening Social Capital

There is only one prediction about the future I feel confident to make. During this period of random and unpredictable change, any organization that distances itself from its employees and refuses to cultivate meaningful relationships with them is destined to fail. Those organizations who will succeed are those that evoke our greatest human capacities—our need to be in good relationships and our desire to contribute to something beyond ourselves. These qualities cannot be evoked through policies and procedures. They only are available in organizations where people feel trusted and welcome and where people know that their work matters.

- Margaret Wheatley[121]

The term social capital focuses attention on the organization's relational aspects. When leader/managers remain conscious of social capital as an asset with potential benefits for both individuals and the organization as a whole, they are more likely to nurture it. Coleman suggests that "Like other forms of capital, social capital requires investment in the designing of the structure of obligations and expectations, responsibility and authority, and norms [or rules] and sanctions which will bring about an effectively functioning organization."[122]

While board members may not receive a "social capital report," they should ensure that an employee survey is conducted annually and its results used to inform organizational practices. No "one size fits all" formula exists for nurturing an organization rich in social capital. Each organization must shape its own culture, while involving all the members of the organization.

Two ideas about social capital are particularly important:

- Unlike other forms of capital, the supply increases rather than diminishes when used.
- Most forms of social capital are created and destroyed as a byproduct of other activities—it arises and disappears without being willed into or out of existence. This, of course, contributes to an under-investment and consequent depreciation over time if it is not nurtured and renewed.

This chapter presents some ideas, principles, and practices for recognizing, nurturing, and strengthening the social capital in an organization. Each theme is followed by a list of questions intended to invite reflection and dialogue.

Self-Awareness and Good Relationships

If we want to change the systems we are a part of—our countries, communities, organizations, and families—we must also see and change ourselves.

- Adam Kahane[123]

121. Wheatley, *Finding Our Way: Leadership for an Uncertain Time*, p. 124.

122. Coleman, *Foundations of Social* Theory, p. 313.

123. Adam Kahane, *Solving Tough Problems: An Open Way of Talking, Listening and Creating New Realities* (San Francisco: Berrett-Koehler Publishers, 2004), p. 85. Used with permission of the publisher. From *Solving Tough Problems: An Open Way of Talking, Listening and Creating New Realities*. Copyright© 2004 by Adam Kahane, Berrett-Koehler Publishers, Inc., San Francisco, CA. All rights reserved. www.bkconnection.com.

Full and meaningful participation in organizational life requires people to be aware of who they are and how others experience them. Almost every book about management, leadership, and organizational behaviour and change emphasizes the importance of self-awareness—awareness of needs, strengths, limitations, and personal style. Regardless of people's role or position in the organization, they must consciously and purposefully attend to their personal and professional development.

Frameworks can help people become aware of how they are the same and how they differ. The Myers-Briggs and True Colors are tools many organizations use to facilitate self-awareness and strengthen interpersonal relationships.

Perhaps the most useful framework for understanding the diversity of the human personality is the Enneagram. "A profound, elegant and compassionate approach to people and relationships,"[124] the Enneagram is rooted in ancient philosophic traditions and represents a deep and profound understanding of human nature. In contrast to the psychological systems of Freud and others, the Enneagram "… brings a person-centered humanism back to psychology and the focus of psychology back to human nature … helping people meet the challenge of living consciously and purposefully."[125] Although not religious, it rests on a both spiritual and psychological foundation. While deep in its complexity, it is also easy to understand and use.

The word Enneagram comes from the Greek word *enneas*, meaning "nine" and *grammos,* meaning "points." The Enneagram presents nine personality types arranged as points around a circle.

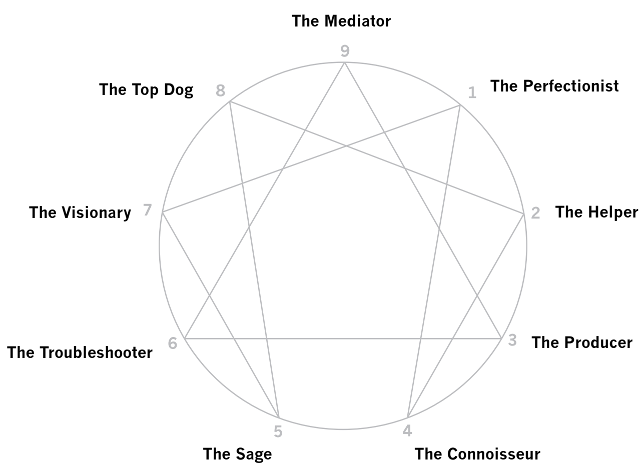

Figure 2: Enneagram

124. Michael J. Goldberg, *The Nine Ways of Working: How to Use the Enneagram to Discover Your Natural Strengths and Work More Effectively* (New York: Marlowe & Company, 1990, p. 1. Used with permission of the publisher.

125. Don Richard Riso, *Discovering Your Personality Type: The Enneagram Questionnaire* (New York: Houghton Mifflin Company, 1992), p. 6.

Each personality type has its own worldview; its own habits of thinking, feeling, and doing; its own gifts, limitations, and blind spots. The intent here is to provide an introduction to the nine personality types in order to highlight the Enneagram's usefulness as a tool for self-awareness, personal transformation, and understanding and interacting more effectively with others.

An increasing number of organizations in many fields and disciplines use the Enneagram for staff training programs and organizational change initiatives. Ginger Lapid-Bogda notes that Walt Disney Company, the Federal Reserve Bank, and the CIA among others use this tool. "Because the Enneagram reveals enduring truths about the human character, the system is timeless in its usefulness."[126]

Michael J. Goldberg briefly describes how each personality type tends to operate in the workplace. Some of the other names used to describe each type have been added to his descriptions.

- **Ones** (the perfectionist—a. k. a., the reformer, the crusader, the moralist) measure against an objective ideal standard and want to do the right thing. "There's a right way. Let me teach you."
- **Twos** (the helper—a. k. a. the giver, the caretaker, the enabler) focus on interpersonal and emotional issues and want to be helpful and depended upon. "I support and empower others. They couldn't do it without me."
- **Threes** (the producer a. k. a. the performer, the succeeder, the initiator) focus on hard work and achievement so that they can be successful and admired. "The world is a contest that I can win if I work hard and appear successful."
- **Fours** (the connoisseur—a. k. a. the tragic-romantic, the artist, the individualist) center on their own creativity and soulful feelings and want to be high quality producers, providers, or purveyors. "My work is affecting and authentic, with depth, grace, insight, and style, yet something is missing. If only things were different…."
- **Fives** (the sage—a. k. a. the thinker, the observer, the philosopher) seek information and understanding, with as few entanglements as possible, and want to be the keeper of wisdom and master of the game. "I am the master of my private world, built by superior commitment to special knowledge."

126. Ginger Lapid-Bogda, *Bringing out the Best in Yourself at Work: How to Use the Enneagram System for Success* (New York: McGraw-Hill, 2004), p. xx.

- **Sixes** (the troubleshooter—a. k. a. the loyalist, the questioner, the skeptic) worry about the hidden agendas and any possible downside risks so that they can prepare. "The world is dangerous; the truth is hidden; appearances are suspect; I need trustworthy allies."
- **Sevens** (the visionary—a. k. a. the epicure, the planner, the generalist) want to keep their options open and focus on exciting upside ideas, possibilities and experiences. "'To explore strange new worlds … to boldly go where no one has gone before.' The world is full of exciting possibilities, concepts and experiences. My mission is to explore them."
- **Eights** (the top dog—a. k. a. the boss, the leader, the challenger) want to make sure they take and keep power and control. "I am strong. I am in charge. I avenge the weak and expose the power abusers, the pretenders and the fools."
- **Nines** (the mediator—a. k. a. the peacemaker, the negotiator, the connector) want to bring all sides together so that the workplace is intermeshed and free of conflict. "Everything will work out if we stay calm, amiable, and connected."[127]

As people review the personality types, they may recognize themselves or some of their colleagues. Each type brings unique perspectives and skills to the work environment. Certain styles may trigger confusion, fear, or anger in people of other styles.

> Though none of the types is bad in itself, being unconsciously wedded to an Enneagram style limits flexibility, imagination and choices. Caught up in the habitual ways of perceiving, you miss important pieces of the whole. Even our best strengths applied indiscriminately become our weaknesses. Knowing your vantage point and that of the people you work with does more than build perspective; it clears the mind so discernment is possible. It loosens the heart to the experience of others. It focuses the will so that you can get out of your own way and act with concentrated intention, power, and effectiveness.[128]

In summary, the Enneagram provides a helpful framework for personal transformation and for cultivating more meaningful and effective relationships with others. The challenges with any kind of typology or schema include the tendency to apply it too rigidly or to dismiss it entirely out of concerns about judging, labelling, or categorizing. Both are potential risks with the Enneagram. Used appropriately, however, it is a rich

127. Michael J. Goldberg, *The Nine Ways of Working: How to use the Enneagram to Discover Your Natural Strengths and Work More Effectively* (New York: Marlowe & Company, 1999), p. 4.

128. Ibid., p. 5.

system of wisdom that offers much towards deepening and strengthening relationships. Once again, Goldberg sums it up well.

> The Enneagram teaches us to look beyond behavior to deep intent. When we see the world as others see it, from their own frames of reference, we can more accurately hear and understand—and be more clearly heard and understood. By knowing your own frame you can get out of your own way, call on your natural skills and gifts with authority and without reservation, work effectively with heart and power, and bring spirit into the world. That is what the guardians of the system intended.[129]

Many good resources describe the Enneagram. Three excellent books that apply the Enneagram framework to the workplace include:

- Michael J. Goldberg. *The Nine Ways of Working: How to use the Enneagram to Discover Your Natural Strengths and Work More Effectively.* Goldberg devotes a chapter to each personality type and addresses dimensions such as how they think, feel, and behave; their decision-making, leadership, work, and learning styles; and how to get along and work with each type. He also offers an interesting characterization of entire organizations according to the typology.
- Ginger Lapid-Bogda. *Bringing Out the Best in Yourself at Work: How to use the Enneagram System for Success.* Lapid-Bogda organized her book according to recurring issues in organizations, which include: effective communication, constructive feedback, conflict management, creation of high-performance teams, leveraging leadership, and self-transformation. She describes how the various personality styles tend to approach these issues.
- Helen Palmer. *The Enneagram in Love and Work: Understanding Your Intimate and Business Relationships.* The first half of the book devotes a chapter to each personality types and addresses such aspects as personality bias, focal issues, intimacy, security and risk, and the signals each type sends. The second half of the book—called “the directory of relationships” —describes typical interactions between the various types in both intimate relationships and workplace relationships.

129. Ibid., p. 339.

Better Communication

Communication is important to all relationships. Consider the statement, "One cannot not communicate." The statement's double negative is important. It means that all behaviour communicates. Even silence can communicate powerful messages—messages that the receiver may have more difficulty interpreting because of the lack of verbal content.

Verbal communication involves both a content and a process level. The verbal messages are "content" and the message about the message is "process." "Process" relates more to the relationship between the communicators and provides the context through which "content" is filtered. These ideas help people understand why they sometimes have difficulties communicating. The space around and between the sender and the receiver often is charged with powerful but invisible history and context. Sometimes people are not talking about what they think they are talking about!

Consultant Adam Kahane has worked with business, government, and civil society organizations around the world on various issues. In *Solving Tough Problems: An Open Way of Talking, Listening and Creating New Realities,* he shares stories of his work as he reflects on the elements of tough problem-solving. He concludes that, by making simple (though not easy) shifts in how they talk and listen, people can achieve significant results. He offers these 10 suggestions that focus on individuals, relationships and the organizational system:

- **"Pay attention to your state of being and to how you are talking and listening.** Notice your own assumptions, reactions, contractions, anxieties, prejudices, and projections.
- **"Speak up.** Notice and say what you are thinking, feeling, and wanting.
- **"Remember that you do not know the truth about anything**. When you think that you are absolutely certain about the way things are, add "in my opinion" to your sentence. Never take yourself too seriously.
- **"Engage with and listen to others who have a stake in the system.** Seek out people who have different, even opposing, perspectives from yours. Stretch beyond your comfort zone.
- **"Reflect on your role in the system.** Examine how what you are doing or not doing is contributing to things being the way they are.
- **"Listen with empathy.** Look at the system through the eyes of the other. Imagine yourself in the shoes of the other.

- **"Listen to what is being said not just by yourself and others but through all of you**. Listen to what is emerging in the system as a whole. Listen with your heart. Speak from your heart.
- **"Stop talking.** Camp out beside the questions and let answers come to you.
- **"Relax and be fully present.** Open up your mind, and heart, and will. Open yourself up to being touched and transformed.
- **"Try out these suggestions and notice what happens.** Sense what shifts in your relationships with others, with yourself, and with the world. Keep on practising."[130]

Conflict Resolution

While conventional wisdom says that conflict is inevitable, social anthropologist William Ury states that peace is actually the norm. In *Getting to Peace: Transforming Conflict at Home, at Work and in the World,* Ury suggests that, although people typically think of conflict as two-sided, every conflict occurs in some kind of community that constitutes "the third side." The third side contains the conflict. The third side is "*people*—from the community—using a certain kind of *power*—the power of peers —from a certain *perspective*—of common ground—supporting a certain *process* —of dialogue and nonviolence—and aiming for a certain *product*—a "triple win."[131]

Ury suggests that the fundamental relationship between human beings is shifting from vertical to horizontal and that this contributes to more conflict, not less. The goal, however, is not to eliminate or suppress conflict but rather to catch it before it escalates. Conflict is prevented when people are enabled to meet their basic needs, have the skills to handle disputes, and enjoy good relationships.[132]

When people take personal responsibility for their behaviour and the quality of every work relationship they have, they contribute to the organization's social capital. At the same time, they contribute to an organizational asset that is then available when they need it.

Questions for Reflection and Discussion

- What motivates me to work? How is my work personally meaningful?
- Why is my work worth doing? Do I contribute to some greater good?
- What is my job title? Does it accurately reflect my role (i.e., what I do)? If I could change my title what would it be? Would I change my title only or my role as well?

130. Kahane, *Solving Tough Problems: An Open Way of Talking, Listening and Creating New Realities*, pp. 129-130.
131. William Ury, *Getting to Peace: Transforming Conflict at Home, at Work and in the World* (New York: Viking, 1999), p. 14.
132. Ury presents a framework in which the third side has 10 roles. His interventions for preventing an escalation of conflict fall into three categories: prevent, resolve, and contain. For each problem that contributes to escalating conflict (for example, weak relationships), he suggests a role that will help to transform the conflict (for example, "the bridge-builder"). Ury's sound and practical ideas are applicable to different contexts including the workplace.

- How engaged and active am I in my organization? How much interest and energy do I have for my work? Do I see myself as a “victim,” a “passenger,” or a “driver” in moving my organization toward a “preferred future”?
- What expectations can people reasonably have of their work environment?
- What expectations do I have of my work environment?
- What degree of commitment and capability is required to belong to this organization? Do I have it? Do I believe that my colleagues have it?
- Am I aware of my personal style and what impact it has on others?
- What are my assumptions about people?
- Can I articulate the values most important to me? Do I have a personal mission/purpose statement?
- How concerned am I about the well-being of other members of my organization? Of the organization as a whole?
- How would I describe my personal communication style? My personal problem-solving style?
- Am I able to move out of my comfort zone? Do I take risks?
- Am I conscious and purposeful about creating positive and productive experiences for myself in meetings, in committee work, in my work in general?
- Do I know where I stand in this organization? How do I get feedback? What are my organization’s norms about asking where I stand?
- Where and how am I acknowledged and rewarded?
- Who needs to know about the progress of my work? Do I keep those people informed?
- How do I find out things?
- What do I notice and consider when I have a difficulty?
- How do I deal with conflict (ignore, confront, suppress, compromise)?
- Do I let others know when they do things that limit my ability to be effective? Do I expect the same from others?

- How do I respond to change? How do I respond to my intuitions about how things should change?
- Do I maintain a personal learning and development program? Do I add to my skills continually?
- Do I communicate confidence and optimism to others, energizing them and raising their hopes and aspirations?
- What is unique about what I do? What are my assets? How can I further develop my unique contribution? What liabilities stand in my way? What is my pattern of failure and my personal danger signals?
- How can I find more meaning or involvement in my work?
- What do I want and need from the organization?
- What do I want to accomplish here in the next year? In the next few years?
- What will be my legacy in this organization?

"Big Picture" Focus: Systems Thinking

The 20th century's holistic perspective has become known as "systemic." Pioneered by biologists, "systems thinking" developed simultaneously in several disciplines. Physicist Fritjof Capra provides a rich and detailed description of these developments in *The Web of Life*. He states that the theory of living systems provides a conceptual framework for linking ecological and human communities because both exhibit the same basic principles of organization.[133]

One of the most significant principles is that of interdependence (i.e., the interconnectedness of all members of an ecological community in a "vast and intricate network of relationships, the web of life.")[134] Drawing the link to human communities, Capra says that sustainable human communities recognize the basic pattern of life as a network in which nourishing the community means nourishing the multiple relationships among its members.

Additional ecological principles relevant to human communities include: the cyclical flow of resources, cooperation, partnership, flexibility, and diversity. These principles support sustainability (i.e., meeting present needs while ensuring the capacity to do so in the future). These are self-organizing processes and "understanding the pattern of self-organization is the key to understanding the essential nature of life."[135]

133. Capra, *The Web of Life,* p. 297.

134. Ibid., p. 298.

135. Ibid., p. 26.

One of the most basic and important characteristics of systems thinking is the shift from the parts to the whole. This is just the opposite of mechanistic thinking, which rests on the belief that the whole can be analyzed in terms of the properties of its parts. Systems thinking is "contextual" or "environmental" thinking—the parts can only be understood in the context of the whole.

Another key characteristic of systems thinking is "networks": the living world is seen as a network of relationships. Yet another important belief is that objective science is impossible because the method of questioning and the process of knowing depend on the observer.[136]

Senge et al. have described other characteristics of living systems relevant to thinking about organizations.

- Living systems create themselves ("autopoeisis").
- Living systems generate new patterns of organizing ("self-organize") in ways that could not be predicted from their past ("emergence").
- Living systems are aware and interact effectively with their environment ("cognition").[137]

Capra suggests that two essential aspects of all living systems, the self-assertive and the integrative, are out of balance in Western culture. The West overemphasizes self-assertion and neglects integration in both its thinking and values as indicated below:

Thinking		Values	
Self-Assertive	**Integrative**	**Self-Assertive**	**Integrative**
rational	intuitive	expansion	conservation
analysis	synthesis	competition	cooperation
reductionist	holistic	quantity	quality
linear	nonlinear	domination	partnership[138]

"Self-assertive" qualities are seen in many authoritarian, hierarchical structures (e.g., absolute monarchy, colonialism, and patriarchy) common in recent human society. Ury observes, however, that the "old, self-organizing, cooperative networks that characterized human life for most of our history" are replacing these structures.[139] With the emergence of the knowledge economy/society in the second half of the 20th century has come a fundamental shift in human relationships "from vertical to

136. Ibid., p. 40.
137. Ibid., p. 204.
138. Ibid.
139. Ury, *Getting to Peace: Transforming Conflict at Home, at Work and in the World*, p. 95.

horizontal."[140] While hierarchical structures remain, knowledge is best acquired and improved through cooperation and sharing, and networks best facilitate this.

Organizations as Living Systems

The new holistic, ecological paradigm recognizes the limitations of the "machine" metaphor that has characterized western thinking for several hundred years. In the new paradigm, organization becomes a process rather than a structure. Organizations, like other living systems, are understood to be self-organizing, adaptive, flexible, self-renewing, resilient, learning, and intelligent. They emerge as networks of relationships, as communities.

Drawing upon both "new science" and ancient wisdom, Wheatley has applied the "living system" metaphor to human communities and organizations. She suggests that people must change how they think about organizations.

> Self-organizing systems have the capacity to create for themselves the aspects of organization that we thought leaders had to provide. Self-organizing systems create structures and pathways, networks of communication, values and meaning, behaviors and norms. In essence, they do for themselves most of what we believed we had to do for them. Rather than thinking of organization as an imposed structure, plan, design or role, it is clear that in life, organization arises from the interactions and needs of individuals who have decided to come together.[141]

These ideas challenge many notions people have about how organizations are structured, how they function, and how to make them more effective. Systemic thinking leads to a deeper appreciation of the interdependence central to organizations. In a knowledge economy/society, work tends to be structured into specialized positions and work units. And resources—financial, physical, and employee time, energy, and talent—are limited. People depend on others in many ways, formally and informally, in order to be productive.

Looking beneath job descriptions and organizational objectives, Wheatley draws attention to the domains that people in organizations use to get their work done. Using the framework of self-organization, she identifies three primary domains: identity, information, and relationships.[142] She describes *identity* as the organization's "sense-making capacity." Every organization develops a sense of "self" which is more than its values, mission, and vision. Everything is interpreted through how the organization

140. Ibid, p. 98.

141. Wheatley, *Finding Our Way: Leadership for an Uncertain Time,* pp. 25-26.

142. Ibid., pp. 36-41.

understands itself at any particular time. As individuals in the organization do their work, they "reference the organizational identity that they see and feel—the organization's norms, unspoken expectations, the values that get rewarded."[143] Many organizations experience problems because they fail to create and/or maintain clear and coherent identities that can sustain them, especially in difficult or confusing times.

The second domain that Wheatley identifies is *information: the medium of the organization* and the nutrient of self-organization. Wheatley emphasizes the importance of information flowing freely and easily in organizations, noting that different people will take different things from information. Problems can arise when people have no access to the information needed both to do their work and to understand the organization and its work as a whole.

The third domain is *relationships—the pathways of organization.* People seek relationships that enable them to work well, whether or not these relationships are officially sanctioned and supported.

> Relationships are the pathways to the intelligence of the system. Through relationships, information is created and transformed, the organization's identity expands to include more stakeholders, and the enterprise becomes wiser. The more access people have to one another, the more possibilities there are. Without connections, nothing happens. Organizations held at equilibrium by well-designed organizational charts die. In self-organizing systems, people need access to everyone; they need to be free to reach anywhere in the organization to accomplish work…. People need access to the intelligence of the whole system…. It is astonishing to see how many of the behaviors we fear in one another dissipate in the presence of good relationships.[144]

The three domains of identity, information, and relationships interconnect. The activity within these domains often is invisible, in part because people tend to pay little attention to it. When people do pay attention, they notice how people creatively circumvent barriers created by organizational structure and processes. Wheatley suggests that when problems occur in organizations, often "… the real work is to look into the domains of self-organization and determine what is going on at this subterranean level."[145] These interactions and processes can weaken or strengthen organizational social capital.

143. Ibid., p. 42.

144. Ibid., pp. 40-41.

145. Ibid., p. 42.

Other organizational thinkers have described common "subterranean level" processes that that interfere with healthy communication and problem-solving and productive work. Senge et al. discuss the phenomena of "'groupthink,' the continual, albeit often subtle, censoring of honesty and authenticity in a team."[146] Groups need shared ways of thinking and seeing, and shared norms in order to function. Norms are both spoken and unspoken, and they define acceptable and unacceptable behaviour in the group related to power, conflict, support, risk-taking, decision-making, and problem definition and solution. Coleman suggests that "effective norms can constitute a powerful form of social capital … (that) not only facilitates certain actions but also constrains others."[147]

Such problems as "groupthink" arise when the "collective censor" is unrecognized and unacknowledged. Senge et al. suggest that the difference between a healthy group or organization and an unhealthy one "lies in its members' awareness and ability to acknowledge their felt needs to conform."[148] The group leader/manager's role and behaviour can be significant in "groupthink," as group members may shape their ideas to fit what they believe their leader wants to hear.

The Abilene paradox is a related phenomenon in which each group member feels a certain way but assumes that s/he is the only one and stays silent because of a perceived group norm prohibiting talking.[149]

Sometimes people's individual fears prevent them from raising issues or concerns. These fears can be connected to personality and personal style (e.g., fear of looking incompetent or making someone angry or hurting someone's feelings). These fears also can be connected to an environment that lacks the emotional safety of trusting relationships. The fears also can be connected to the awareness that certain topics are "undiscussable" in the organization or their work group. Often this awareness is based on assumptions drawn from covert rather than overt information and processes.

These are just a few examples of patterns of interaction that develop in an organization. Taking a systemic view helps to reveal some organizational processes that deplete social capital and defeat individuals. When thinking systemically, people consider the organization as a whole and the interdependence that characterizes relationships within the organization.

Questions for Reflection and Discussion

- Organizations have a "persona" just as people do. How would I describe my organization's persona (e.g., innovative, collaborative, principled, resilient, toxic, caring)? Would my colleagues perceive and describe the organizational persona differently?

146. Senge et al., *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization,* p. 31.
147. Coleman, *Foundations of Social Theory,* p. 311.
148. Senge et al., *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization,* p. 32.
149. Jaffe et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, p. 238.

- Does my organization foster open, free-flowing communication or is communication formal and business-like?
- How does my organization deal with conflict? Are tensions simmering under the surface of the organization?
- What attitudes, ideas, and behaviours does this organization reward? How and by whom?
- Are issues discussed? Are they discussed until resolved and/or consensus is reached?
- What issues do people raise repeatedly?
- What stories are told over and over?
- What organizational history, culture, and "ghosts" exist? How?
- What topics generate the most energy, positive or negative?
- What happens when someone new joins the group, the committee, the workplace?
- Who chairs meetings and committees? How are these people chosen?
- Where and how do people sit in meetings?
- Who talks first? Last? Who always talks? Who never talks?
- Are participants' contributions acknowledged? How?
- What nonverbal behaviours do I notice?
- How well do I listen to those with whom I disagree?
- Are differences openly confronted?
- Who champions particular causes and issues in this organization?
- Who always asks the challenging questions or the questions no one thinks to ask? If we value this, how can we cultivate it in our meetings and committees? Do we challenge people or principles?
- How does the group make decisions?
- Who has the information needed to make good decisions?

- When a problem develops, who identifies what it is? Who is involved? What relationship exists between these individuals or groups? Who supports whom? Who has conflict with whom? Who is included and who is excluded and why? How do I contribute to this problem and perhaps block its solution? What assumptions do we make about a problem and our ability to solve it? Can we view problems differently?
- What self-limiting assumptions do we make about our capabilities or resources?

"Community" Development

In the introduction to the revised edition of *Flawless Consulting*, Peter Block reflects on some of the changes in the 20 years between editions (1981 and 1999). "The idea that teams and personal relationships are critical to technical and business success was an innovative thought twenty years ago. Now the value of teams and relationships is more widely accepted, at least intellectually. We may not be any better at working together, but at least we know it matters and are willing to invest effort into building a more cooperative workplace."[150]

Block highlights the paradox of individualism and connectedness. Many organizations continue to have structures and processes that overemphasize individualism, either overtly or covertly. Organizations that have recognized the importance of relationships often have struggled with how to transform workplace structure and culture. It is one thing to organize people into a "team" to do their work; it is quite another to have them develop and maintain authentic and effective working relationships.

Wheatley, drawing on the idea of West African writer and teacher Malidoma Some, suggests that people have "an instinct of community." Like other species, people form human communities from our two basic needs: need for self-determination and the need for one another. This requires people to reconcile these seemingly conflicting and paradoxical needs within themselves as individuals. They also must ensure that organizations make room for both. It is helpful to remember what Capra and others say about the basic pattern of life being a network. Nourishing community means nourishing the multiple relationships existing among community members.

Warren Bennis says: "An organization should, by definition, function organically, which means that its purposes should determine its structure, rather than the other way around, and that it should function as a community rather than a hierarchy, and offer autonomy to its members,

150. Peter Block, *Flawless Consulting: A Guide to Getting Your Expertise Used,* Second Edition (San Francisco: Jossey-Bass, 2000, p. xvi.

along with tests, opportunities and rewards, because ultimately an organization is merely the means, not the end."[151] This framework suggests the means by which an organization can achieve its purpose *and* the individuals within it can release and use their full potential.

Organizations as Communities

People working in human services often think in terms of networks and communities. Many services they provide and the work they do focuses on strengthening and developing people, networks, and communities. Despite this orientation to work, however, they may not think about their own workplaces as living communities with needs to be met in order survive and evolve.

"Community" is defined in many ways, and the history of the word itself is informative:

> The word "community" has old roots, going back to the Indo-European base *mei,* meaning "change" or "exchange." Apparently this joined with another root, *kom*, meaning "with," to produce an Indo-European word *kommein*: shared by all. We think the idea of "change or exchange, shared by all" is pretty close to the sense of community in organizations today. Community building is a core strategy for sharing among all its members the burdens and the benefits of change and exchange.[152]

Senge and his collaborators identify six "core processes" that are "fundamental to creating and sustaining organizations as communities." These processes, which sound like a recipe for creating and nurturing social capital, are:

- **capability**. This is the sum of the skills, knowledge, and personal qualities people need to renew themselves and reinvent their future. It involves collective learning, democratic principles, and the capacity for dialogue.
- **commitment**. People take an active role in the experience of creating something they value together.
- **contribution**. Opportunities exist for members to use the full diversity of their talents and contribute to the community's sustenance. They can see how their daily work contributes to organizational success.
- **continuity**. People travel creative career paths and share a common knowledge base and vision. (Institutional memory is a critical factor to continuity.)

151. Bennis, *On Becoming a Leader*, p. 182.
152. Senge et al., *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization*, p. 509.

- **collaboration**. People enjoy reliable interdependence through webs of information and personal relationships.
- **conscience**. The organization has ways to embody and invoke guiding principles, ethics, and values such as service, trust, and mutual respect.[153]

Cohen and Prusak reinforce the importance of community and suggest that "[n]etworks and communities are at once the source and shape of social capital in organizations, the primary manifestation of cooperative connections between people."[154] They further suggest the importance of "nurturing existing organic structures and encouraging voluntary connection over trying to mandate community and cooperation."[155] They advocate giving people time and space to connect with one another and encouraging "social talk and storytelling." And Cohen and Prusak are writing for the business sector! Trust, understanding, and acceptance *can* flourish at work and *does* contribute to organizational success.

The Dark Side of Community

Community and social capital also can be exclusive and used negatively. In a workshop several years ago, John McKnight described a "beautiful community" as one that has "a welcome at the edge," but not all communities are this hospitable. They do not necessarily foster the capability, commitment, contribution, continuity, collaboration, and conscience described earlier.

Wenger, writing about "communities of practice," discusses some of the "dangers of community." One danger is cliques—groups in which relationships dominate all other concerns, and exclusivity can result. In social capital terms, this could be understood as excessive "bonding" social capital. Other types of "disorders" caused by "excesses or failures in creating a sense of community" include:

- **egalitarianism.** The group norm of equality constrains individual growth or creativity.
- **dependence.** The group depends on the coordinator's activity or the leader's charisma, making the group vulnerable to that person's departure and/or decreasing diverse perspectives within the group.
- **stratification.** The creation of classes of membership (e.g., core group, experts, others) prevents the community from developing a common identity.

153. Ibid., pp. 511-17.
154. Cohen and Prusak, *In Good Company: How Social Capital Makes Organizations Work*, p. 55.
155. Ibid., p. 79.

- **disconnectedness.** The community is too large, diffuse, or dispersed to actively engage its members and build a meaningful sense of shared identity.
- **localism.** The group fails to transcend boundaries in order to develop the range, intensity, and diversity of connections that would maximize synergy between groups.[156]

These "disorders" in the kind and/or strength of relationships among community members also strongly influence how members relate to others outside the community. In other words, these patterns can have a negative impact on the strength of both the group's bonding and bridging social capital.

Building Community in Organizations

Building community involves engaging people and keeping them engaged. In order to build community in organizations:

- Invite people to bring all of who they are into the workplace.
- Create space for community to happen.
- Create time for community to develop.
- Have conversations about things that matter (and things that do not!).
- Recognize and appreciate people's unique contributions.
- Focus on assets and strengths.
- Take action; learn by doing.
- Have fun!

Questions for Reflection and Discussion

- Do I consider my organization a community?
- Does my organization provide physical space that is engaging and comfortable? Am I free to create a personalized workspace? Does my workspace provide opportunities to balance both interaction and autonomy?
- Would I characterize my organization as a cooperative workplace?
- Are we encouraged to collaborate with one another?
- Are there teams/divisions/subgroups in my organization? What formal groups exist? What informal groups exist? Do the two overlap? Do the informal groups undermine the formal groups?

156. Etienne Wenger, Richard McDermott, and William M. Snyder. *Cultivating Communities of Practice: A Guide to Managing Knowledge* (Boston: Harvard Business School Press, 2002), pp. 145-46.

- What barriers exist between staff from different parts of the organization? Can they work together freely?
- Are we united around our mission and vision?
- Where does competition exist in our organization? Is it healthy or antagonistic?
- Is individualism (autonomy, self-determination) balanced with connectedness/community?
- Are there "disorders" in the kind and/or strength of relationships in my workplace community (e.g., cliques, dependence, disconnectedness)?
- Do my workplace relationships involve "fair exchange"? Do I both give and receive?
- How do I work with others? Are our agreements clear? Do we experience tensions or differences in approach or priorities?
- What contribution do others need me to make in order to make their own contribution to the organization? When, how, and in what form? What do I require from others?
- Do I see how my work contributes to organizational success?
- Do we resolve conflicts effectively?
- Do we have time and space for social talk, storytelling, and celebration?
- Are we committed to learning together and generating knowledge?

Alignment with Mission, Vision, and Values

Values are the foundation upon which the nonprofit and voluntary sector is built. The sector has evolved from traditions of mutual aid, with "the earliest voluntary activity in Canada occur[ring] among the aboriginal peoples who inhabited the land for thousands of years."[157] The values of interdependence, working together in collective and egalitarian ways, giving, and sharing all were deeply embedded in that culture.[158]

As Europeans settled here, they developed their own traditions of mutual support in facing the problems and challenges of life. Nonprofit structures and services emerged and became formalized through both people's own self-organizing processes and through such institutions as the church. Hall identifies the church as "the centre of community life" in the 19th and early 20th centuries.[159] Churches, which are certainly values-based

157. Michael H. Hall, et al. *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective* (Toronto: Imagine Canada, 2005), p. 21. Used with permission of the publisher.

158. Ibid.

159. Ibid.

institutions, provided many services, including education, health, social services, and recreation. Private philanthropy also has always been part of this picture in Canada.

While government and the voluntary sector have a long history of working together, a formal accord was struck in 2001 to "strengthen the ability of both the voluntary sector and the Government of Canada to better serve Canadians."[160] Although not legally binding, this document establishes the values, principles, and commitments to action that shape the working relationship between the government and the sector. These values include:

- **democracy.** People have the right to associate freely, express views freely, and advocate.
- **active citizenship**. Both individuals and communities are welcome to become actively engaged and involved in shaping society through political or voluntary activity or both.
- **equality.** Canadians have well-respected rights under the *Canadian Charter of Rights and Freedoms*, the *Canadian Human Rights Act*, and the *United Nations Universal Declaration of Human Rights.*
- **diversity**. Canada respects the country's rich variety of cultures, languages, identities, interests, views, abilities, and communities.
- **inclusion.** People are welcome to express and represent diversity; they have the right to speak and be heard.
- **social justice**. This supports each person's full participation in the social, economic, and political life of communities.[161]

Equally important are the accord's five guiding principles of:

- independence
- interdependence
- dialogue
- cooperation and collaboration
- accountability to Canadians.

The principles describe an expectation that relationships be flexible and respectful and that dialogue be "open, respectful, informed, sustained, and welcome of a range of viewpoints … carried out in a way which respects each party's confidential information, and builds and maintains trust."[162]

The accord's Commitments to Action further articulate the roles that each play in the ongoing working relationship. The commitments of the

160. Canada. Statistics Canada, *An Accord Between the Government of Canada and the Voluntary Sector* (Ottawa: Statistics Canada, 2001), p. 7.

161. Ibid.

162. Ibid., pp. 8-9.

voluntary sector focus on citizens and communities (i.e., identifying issues and trends and acting on them or bringing them to the attention of government) and on the sector itself (i.e., ensuring that "the full depth and diversity of the sector is reached and engaged").[163]

The accord provides the foundation for addressing many issues challenging the voluntary sector. It opens the door to a different kind of relationship between government and the sector—a more authentic partnership with a clear goal of serving Canadians better as they strive toward the kind of society they want. The accord also provides a template of values and principles that are foundational for our individual organizations.

Organizational Mission, Vision, and Values

Jaffe et al. describe values, mission, and vision as the core of an organization's identity or essence. These aspects support meaning, connection, and purpose for the people in the organization.

Jaffe et al. use the term "essence-driven organizations" to describe those organizations that are "… clear about who they are and where they are going … [that] motivate [their employees] by generating commitment to a vision and values."[164] Employees are far more committed to an organization when the organization's essence fits with their personal essences (i.e., the values, mission, and visions that constitute their highest aspirations).

> Today people want to bring more of themselves to their work. They are no longer content to leave their maturity, feelings, creativity, spirituality, and unique abilities at the door.… The new workplace allows fuller expression of the human spirit. It is a place where people *want* to work.[165]

In research spanning 15 years and involving thousands of managers, Kouzes and Posner examined the relationship between personal and organizational values. They found that a congruence between individual values and organizational values provides a significant payoff for leaders and their organizations, positively influencing work attitudes and performance. The benefits include feelings of personal effectiveness, company loyalty, consensus about organizational goals and stakeholders, and encourage ethical behavior.Workers work harder, care more, and feel less job stress. Workers feel more understanding of job expectations, work together, and feel pride in their organization.[166]

Senge says a "shared vision" is vital in organizations. He states that "[a]t its simplest level, shared vision is the answer to the question 'What do we want to create?'"[167] He suggests that in many organizations, the

163. Ibid., p. 10.
164. Jaffe et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, p. 24.
165. Ibid.
166. James M. Kouzes and Barry Z. Posner, *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations* (San Francisco: Jossey-Bass, 1995), p. 213. Used with permission of the publisher.
167. Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (New York: Currency Doubleday, 1994), p. 206. Used with the permission of Random House, Inc.

vision statement is imposed on the group, requiring compliance rather than commitment. Creating a "shared" organizational vision is a process that also involves developing or clarifying the organization's values and mission. People will be truly committed to a vision when it reflects in some way their personal vision and when it gives them a sense of connection and coherence when doing their work. They must know that they are working together to accomplish something that matters.[168]

Mission, vision, and values anchor an organization, providing a shared frame of reference that guides decision-making and members' activities. In confusing and uncertain times, mission, vision, and values help to ground people. And they provide a helpful reference point from which people can engage in experimentation, creativity, and innovation.

At the organizational level, the nonprofit and voluntary sector has been the vanguard in the movement to make values and principles visible in organizations and connect them to mission, vision, and organizational planning.

Questions for Reflection and Discussion

- What is my organization's purpose? Who do we serve?
- How did my organization originate? What factors have positioned it here? What are the advantages and disadvantages of this position?
- Is there a difference between how my organization sees itself and how others see it? How might others (e.g., clients, the community, funders) characterize my organization?
- Does my organization have a clear sense of its mission and vision? Do its members know and respect its mission and vision? Do mission and vision guide the day-to-day work?
- Does the organization's name hold meaning for its members and clients?
- How big is my organization and how big does it want to become?
- What does it mean to me to be a member of this organization?
- What do we owe to our key constituencies? What do they expect of us?
- What core beliefs generate my organization's value system and guiding principles?
- Are the beliefs espoused in our organizational literature (e.g., values statements) congruent with organizational behaviour?

168. Ibid.

- Does my personal purpose align with my organization's purpose? Do my personal values align with my organization's values?
- Do we risk violating ethical principles in any area?
- If members of the leadership/management team were asked to identify the ethical issues the organization should tackle, could they? Could they do an ethical analysis of an important program or business decision? If they received credible evidence of misconduct, would they know what to do?
- Do we have a strategic plan? When was it developed? How? Who was involved? How often is it reviewed?
- Does my organization value efficiency or effectiveness more highly?
- What are my organization's prevailing assumptions about accountability? What are my assumptions about accountability?
- Do our values, beliefs, or mission explicitly commit to creativity and innovation?

A Culture of Learning and Change

Self-organizing systems have what all leaders crave: the capacity to respond continuously to change. In these systems, change is the organizing force, not a problematic intrusion. Structures and solutions are temporary. Resources and people come together to create new initiatives, to respond to new regulations, to shift the organization's processes. Leaders emerge from the needs of the moment. There are far fewer levels of management. Experimentation is the norm. Local solutions predominate but are kept local, not elevated to models for the whole organization. Involvement and participation constantly deepen. These organizations are experts at the process of change. They understand their organization as a process of continuous organizing.

- Margaret Wheatley[169]

Learning in organizations means the continuous testing of experience, and the transformation of that experience into knowledge—accessible to the whole organization, and relevant to its core purpose.

- Peter Senge[170]

Organizations learn when people in the organization learn. Thus, the organization must adopt continual learning as an organizational value and create an environment or context for learning. In Canada's nonprofit and voluntary sector, efforts are being made to develop and support a sector-wide "culture of learning."[171] The foundation of such a culture is trusting relationships and openness to change.

169. Wheatley, *Finding Our Way: Leadership for Uncertain Times*, p. 33.

170. Senge et al., *The Fifth Discipline: The Art and Practice of the Learning Organization*, p. 49.

171. With federal government funding through the Voluntary Sector Initiative, the National Learning Initiative (NLI) is working on a national skills and learning framework for the sector. Preliminary thinking about a "culture of learning" in the nonprofit and voluntary sector arose out of series of workshops in the Voluntary Sector Initiative in 2002. Workshop results are described in the report "What Do Voluntary Sector Leaders Do?" Workshop participants strongly supported idea of a culture of lifelong learning and emphasized the need for funding and for board and community support of in-house and off-site education and training. Recently, the NLI released a discussion paper, "Developing a Culture of Learning within the Voluntary Sector," which acknowledges that "…much of what needs to happen in creating a culture of learning has nothing to do with professional development, or education and training opportunities. Although these are important elements, they are not as central to a culture of learning as are changes in mindsets or behaviors that govern how work is accomplished within organizations." (Beverly Suderman, "What Do Voluntary Sector Leaders Do?" [Ottawa: National Learning Initiative for the Voluntary Sector, 2005]. p. 2.) The document elaborates why a culture of learning is so important in the sector now and how such a culture could be nurtured.

The Learning Organization

More than 15 years ago, Peter Senge published the widely acclaimed *The Fifth Discipline: The Art and Practice of the Learning Organization.* Although originally intended for business organizations, the book had broad appeal across sectors. The book's main message is that organizations must be able to learn in order to be successful.

Some ideas are considered fundamental to thinking about and creating a learning organization. Senge describes and explains five "learning disciplines" (i.e., lifelong programs of study and practice) which include:

- **personal mastery**. This means learning to expand personal capacity to create the desired results and creating an organizational environment that encourages all members to develop themselves toward their goals and purposes.
- **mental models.** This involves reflecting upon, continually clarifying, and improving our internal pictures of the world and seeing how they shape our actions and decisions.
- **shared vision**. This means building a sense of group commitment by developing shared images of the desired future and the principles and guiding practices by which it can be achieved.
- **team learning**. This involves transforming conversational and collective thinking skills, so that groups of people can develop intelligence and ability greater than the sum of the individual members' talents.
- **systems thinking**. This is a way of thinking about, and a language for describing and understanding, the forces and interrelationships that shape the behaviour of systems. This discipline helps people see how to change systems more effectively and act more in tune with the larger processes of the natural and economic world.[172]

In *The Fifth Discipline Fieldbook*, Senge discusses three more ideas that guide learning organizations, each of which is rooted in systems thinking. These ideas include the primacy of the whole, the community nature of the self, and the generative power of language.[173]

The primacy of the whole is based on the notion that the world is interrelated and that the whole is greater than the sum of its parts, although Westerners tend to think the opposite. Senge provides the example of a person made of head, torso and limbs; bone, muscle, skin, and blood;

172. Senge et al., *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization*, p. 6.

173. Ibid., pp. 24-28.

brain, lungs, heart, and so on. It is impossible to look at the person's many parts and subsystems and grasp what it means to be human. Similarly, organizations are more than just things; they are patterns of interaction that must be grasped in their entirety.

The notion of the community nature of the self focuses on the interrelatedness among people. People are more than just "ego" and cannot be understood apart from the "culture" in which they live. In the systems view of life, the "self" is always in a process of transformation that happens in relationship with others.

The idea of the generative power of language rests upon the notion that people "bring forth reality" as they articulate their experience through language. Multiple interpretations of "the real world" exist and none is ultimately "correct." "When we forget the contingent nature of our understanding, who we are becomes our beliefs and views." It becomes very difficult, then, to examine our assumptions and beliefs if they have become our identity.[174]

In a learning organization, people attend to personal development while also actively engaging with one another in processes that contribute to organizational success.

Barriers to Learning and Change

Systems thinking clarifies the relationship between the organization as a whole and the people of whom it is made. It also illuminates the organization as an entity continually evolving through time. Individual and organizational needs change, sometimes in ways that conflict and compete with one another. Learning and change continually occur in organizations, although often outside of conscious awareness. When people become more purposeful about learning and change, some things can get in the way.

Individual employees may oppose or resist change because of such things as:

- **organizational history**. People recall past resentments, unhappy experiences, broken or unfulfilled promises, and shifting alliances.
- **organizational relationships**. People perceive imbalances in power and authority. Trust levels between staff and managers may be poor, and communication channels ineffective.
- **personal uncertainties**. People may experience changes in or loss of status, competence concerns, or insecurity. They may have shifting personal and professional development interests.
- **lack of information**: People do not know what to do or why they must do something.[175]

174. Ibid., p. 27.

175. Bernard Ross and Clare Segal, *Breakthrough Thinking for Nonprofit Organizations* (San Francisco: Jossey-Bass, 2002), p. 225.

Peter Block suggests that one of the biggest barriers to organizational change is old, stale, habitual conversations.[176] These conversations often breed cynicism while also affording a measure of comfort and safety. Susan Scott supports the notion that the quality of people's conversations reflects the quality of their relationships. In *Fierce Conversations,* she emphasizes that every conversation presents an opportunity to do something different, and she challenges people to "change the world—one conversation at a time."

Several colourful metaphors in the organizational literature illustrate why change fails in organizations. One is the "boiled frog phenomenon." Apparently, a frog thrown into hot water will jump out. A frog put in warm water that is gradually heated will be scalded to death as it will not perceive the subtle shifts in temperature. And so it goes in organizations. Issues and problems are sometimes not seen or are ignored until they reach crisis proportions. Jaffe et al. make the point that this phenomenon is particularly common in organizations with traditional pyramidal/hierarchical structures as "… the pyramid system does not allow the awareness of the problems to filter up to the top, and further, prevents those at the middle and bottom levels from becoming involved with the problems and so resolving them."[177]

In researching achievement of "high performance" in nonprofit organizations in the United States, Paul Light discovered that "… young/small organizations behave very differently than large/old organizations, which suggests very different strategies for achieving and sustaining high performance at different stages of the organizational life cycle."[178] He elaborates as follows:

> Getting noticed and managing growth are the statistically significant challenges for young/small nonprofits. Hence, these organizations were more likely to focus on the need for charismatic leadership, working on management first, and improving internal organizational structure. Their need for systems, access to training, and flexible resources is also clear. In contrast, renewal and red tape are the key issues for large/old nonprofits. These organizations were more likely to focus on the need for decisive leaders, increasing program impacts, and dealing with competition. They also appeared to feel much greater pressure to confront the complacency embedded in hierarchy and formalized procedures. Whereas small/young nonprofits need help building the plane while flying it, old/large organizations need help taking it apart without crashing it.[179]

176. Peter Block, *Stewardship: Choosing Service over Self-Interest* (San Francisco: Berrett-Koechler Publishers, 1993), p. 274.
177. Jaffe, et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, p. 124.
178. Light, *Pathways to Excellence*, p. 120.
179. Ibid., p. 120.

An organization's developmental stage is relevant, then, in the organization's overall structure and functioning and its ability to learn and change. It tells us something about the organization's needs, and these needs must be balanced with the needs of the individuals who comprise the organization—and this continually fluctuates.

People must remember that every organization exists in a larger context, a network of other organizations (both similar and different), a community, a nation, and the global community. Factors in the larger environment—such as changing community needs or the availability of funding—also can influence an organization's ability to learn and change. The interest here, however, is on internal processes, those related to employee well-being and social capital.

Reactive versus Deep Learning

In his most recent work, Senge and his collaborators discuss the differences between reactive and habitual learning and the deeper learning needed for profound change.

They describe a theory of learning and change called the "U theory." This theory emerged from work that included interviews with 150 scientists and social and business entrepreneurs from around the world. Their theory identifies seven core capacities and the activities that contribute to each one. The core capacities are: suspending, redirecting, letting go, letting come, crystallizing, prototyping, and institutionalizing. Each capacity becomes the gateway to the next. It is a theory that articulates a process of deep learning that integrates science, spirituality, and the practice of leadership —a process both personal and systemic.[180]

Senge et al. suggest that both people and institutions tend to react to change in familiar, habitual ways. "Reactive learning is governed by 'downloading" habitual ways of thinking, of continuing to see the world within the familiar categories we're comfortable with. We discount interpretations and options for action that are different from those we know and trust…. At best, we get better at what we have always done … secure in the cocoon of own worldview, isolated from the larger world."[181]

In order to move towards deeper learning, people must suspend their habitual ways of thinking and perceiving. Senge et al. cite quantum physicist David Bohm who says "… our thoughts have us rather than we having them"; suspending involves "hanging our assumptions in front of us."[182] When people observe the world freshly, without preconceived ideas and without judgment, they open the door to creativity, but they must be prepared to feel uncomfortable, maybe even incompetent, in the process.

180. Peter Senge, et al., *Presence: Human Purpose and the Field of the Future.*

181. Ibid., p. 8.

182. Ibid., p. 29.

Adam Kahane describes this well in his discussion of some of his work in South Africa.

> The members of the … team had listened, not only openly, but also reflectively. When they listened, they were not just reloading their old tapes. They were receptive to new ideas.… willing to be influenced and changed. They held their ideas lightly; they noticed and questioned their own thinking; they separated themselves from their ideas ("I am not my ideas, and so you and I can reject them without rejecting me.") They "suspended" their ideas, as if on strings from the ceiling and walked around them and looked at these ideas from different perspectives.[183]

Kahane also discusses the importance of listening, citing Otto Scharmer's ideas about four ways of listening:

- "downloading" habitual ways of thinking, hearing only what confirms one's personal story and being deaf to other ideas
- "debating" which involves listening fairly and objectively to one's own and others' already-existing ideas. Nothing new is created in debating.
- "reflective dialogue" where people talk and listen with empathy, from the heart
- "generative dialogue" involves listening from within one's self, from within others, and from the whole of the system. Creativity and "communion" can emerge from generative dialogue.[184]

Kahane emphasizes that *generating* change is a very different process than *forcing* change.

Discussion and Dialogue

Although "discussion" and "dialogue" often are used interchangeably, they mean very different things. "Discussion" has the same root as "… percussion and concussion, literally a heaving of ideas back and forth in a winner-takes-all competition."[185] "Dialogue," on the other hand, "… comes from the Greek *dialogos*. *Dia* means through; *logos* means the word, or more broadly, the meaning.[186] Apparently, to the Greeks, *dialogos* meant "… a free-flowing of meaning through a group, allowing the group to discover insights not attainable individually."[187] Senge discusses three conditions needed in order for a group to engage in dialogue:

- Participants must "suspend" their assumptions.

183. Kahane, *Solving Tough Problems: An Open Way of Talking, Listening and Creating New Realities*, pp. 79-80.
184. Ibid., pp. 91-92, 122-27.
185. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization*, p. 10.
186. Ibid., p. 240.
187. Ibid., p. 10.

- Participants must regard one another as colleagues.
- A facilitator should "hold the context" until the group develops the skill to do this on its own.[188]

Both discussion and dialogue have a place in organizational learning and problem-solving. They are different processes with different goals. Senge emphasizes that teams or groups who regularly enter into dialogue develop deeper, more trusting relationships and understandings.

Jaffe et al. describe the basic elements of the dialogue process in this way:

- **truth**. Information is available to all.
- **trust.** Every person's input is valued.
- **care**. People listen to one another.
- **fairness**. Equity and rewards are shared; the dialogue is two-sided.
- **reflection**. The group asks basic questions to break old assumptions and continually improves its work as well as taking action.[189]

Supporting Continual Organizational Learning

The practices described previously represent some ways that people can shift their organizational cultures towards more meaningful learning and relationships. These practices foster the development of social capital.

Peter Block increases understanding of this concept by describing some "foundational concepts" related to organizational learning and change as:

- View learning as a social adventure.
- Recognize that the question is often more important than the answer and that the struggle is the solution. Never move too quickly to "how" questions.
- Insight resides in moments of tension.
- Capacities and strengths bear more fruit than deficiencies.
- People are responsible for one another's learning.
- Culture changes in the moment.
- Trust that there is "a movement toward learning that has its own energy and intention…. We do not have to induce change, or drive it, or guide it. All we have to do is join it.[190]

188. Ibid., pp. 238-49.

189. Jaffe et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, p. 203.

190. Block, *Stewardship: Choosing Service over Self-Interest*, pp. 327-42.

Approaching organizational learning and change from a similar frame of reference, Jaffe et al. list the key qualities of a group or organization that engages in continual learning:

- **Have a systems perspective**. Look at the larger picture, the organization as a whole operating within an environment.
- **Offer a free flow of information.** Make information available, accessible, and relevant. The organization should not filter information; individuals decide for themselves what information to use.
- **Diffuse intelligence**. Ensure that the organization has structures and processes that distribute ideas and learning throughout the organization quickly and easily.
- **Value all people as learners**. Give everyone opportunities to learn and to teach, because innovations can come from anyone in the organization.
- **Broaden roles to include learning and teaching**. Ensure that managers are "change leaders" whose roles include learning (empowering self) and teaching (empowering others). Broaden the manager's role from doing a task or job to creating the environment or conditions that enables others.
- **Undertake process learning**. Ensure that the organization continually explores work processes, hidden agendas, and the method for getting results as well as the results themselves. Constant and transformational learning occurs in a context of exploration.
- **Question everything**. Remember that nothing is so sacred that it cannot be questioned.
- **Take risks**. Empower employees to leave their comfort zones in order to test or share new ideas.
- **Get feedback**. Provide feedback that is specific, direct, and readily available to facilitate learning and improvement. Avoid being punitive or blaming.
- **Conduct inquiries to learn from mistakes and successes**. Convene the work unit or organization when important things happen (positive or negative) and see that people learn from the experience.[191]

In summary, people in organizations can take responsibility for their own learning and foster an environment that embraces continual learning and change. The elements that nurture social capital in an organizational

191. Jaffe et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, pp. 235-38.

context (engagement, commitment, trust, communication, and reciprocity) are the same ones that nurture a culture of learning.

Peer Learning Circles

Much like the "communities of practice" described in the next section on "Knowledge Networks," peer learning circles offer a structure and process that foster the creation and maintenance of both "bonding" and "bridging" social capital. With a skilled facilitator in an atmosphere of safety and trust, participants exchange ideas, information, perspectives, attitudes, and opinions in a learning process that moves "from experience through to reflection and moving to action."[192]

Many nonprofit and voluntary sector organizations already use similar processes that encourage peers within the workplace to connect in some form. The peer learning circle format can help groups become more purposeful in their time together. The peer learning circle also has great potential across organizations, linking people with similar roles or needs such as executive directors, clinical supervisors, and those new to their roles.

Questions for Reflection and Discussion

- Who sets my organization's goals and how do they do it?
- How well are we achieving our goals? How do we know? How do we evaluate or measure performance?
- Has the demand for our programs and services grown, stabilized, or declined in the last few years? What might that tell us?
- Do we regularly survey our clients about programs and services?
- Is my organization open to learning and change?
- What results and new ways of working do we want to create?
- What characteristics of our culture will most likely hinder change?
- Which characteristics will likely help?
- What attitudes must shift?
- Do we set goals based on potential rather than probability?
- Is our learning purposeful and relevant? Is learning aimed at our core purpose/mission? Can people make use of it? Does it improve service delivery?
- Are we able to adapt to changing laws and official standards and can we anticipate changes and adjust?

192. Keith Seel and Anita Angelini, *Strengthening the Capacity of Executive Directors* (Ottawa: National Learning Initiative for the Voluntary Sector, 2004), p. 12.

- How does my organization capture learning? Is anything missing from the manuals and files? How could we better capture and use the knowledge that our organization has?
- Do we test our experiences continuously? What structures do we have for this testing? Do we examine and challenge "sacred cows"? Are we able to hear potentially negative information?
- How do we celebrate/recognize/acknowledge failure (not poor performance)? Do we learn from failure? How could we do that better?
- What must die before we can tackle something new? What will it take for this to happen?
- What must we do differently? What will happen if we did nothing?
- Am I open to learning and change? What changes do I need and want to make? What will happen if I do not change?
- What part of my work role involves advocating for change rather than supporting the traditional way?
- How diverse are our employees and how are they diverse?
- What are my and my colleagues' preferred learning styles? How could we strengthen and access less well-represented styles?
- How many "intelligences" does my workspace switch on (i.e., physical/kinesthetic, spatial/visual, linguistic, logical/mathematical, creative/musical, emotional/interpersonal, intrapersonal)?
- Does my organization encourage employees to take risks? To be creative and innovative? To experiment? How are these things encouraged?
- Is my organization committed to continuous improvement? How do I know?
- How capable are we for: self-governance, self-discipline, self-evaluation, self-correction, and self-improvement?
- What opportunities does my organization have to improve performance?
- Do members of my organization know what they can expect of others in terms of information and support to do their jobs?
- Is ongoing training and development an integral part of my organization?

- Do we have the right balance of freedom and support in doing our work?
- Has the manager ensured that staff members have the resources needed to do their jobs? Has the manager nurtured a healthy work environment?
- Is my organization effective? Does our community value it? Do we achieve good results?
- Does my organization place a priority on developing its members' full potential?
- Does my organization use varied measures to assess its health and performance?

Knowledge Networks

Social network analysis looks beyond the formal organizational structures to the informal networks operating in every organization, though often invisibly. Network analysis can help to identify how knowledge moves inside organizations and the interactional roles that particular individuals play in organizational processes.

In the article "Karen Stephenson's Quantum Theory of Trust," Art Kleiner describes her concept of the same name. Drawing from an academic background in art, quantum chemistry, and anthropology, Stephenson has studied patterns of relationship in organizations and, in particular, trust ("the utility through which [a tremendous amount of tacit] knowledge flows").[193] Her research has shown that "The effectiveness and power of an individual, in short, depends not just on his or her position in the hierarchy, but on the person's place in a variety of intertwined networks."[194] These networks interact with the formal organizational hierarchies "… as a sort of double-helix system … perpetually influencing each other, ideally co-evolving over time to become effective."[195]

Building on the work of other researchers and on the assumptions of interdependence and pattern recognition, Stephenson has identified the following three kinds of "network nodes" (i.e., categories of people whose personalities and patterns of relationships recur continually):

- **the hub.** These people gather and share critical information; they are "connectors" and are central in the organization.
- **the pulse taker**. These people carefully cultivate relationships that allow them to monitor the organization's ongoing health and direction; they often are difficult to spot.

193. Art Kleiner, "Karen Stephenson's Quantum Theory of Trust." *Fieldnotes: A Newsletter of the Shambhala Institute* 8 (January 2005), p. 1. Used with permission of the publisher.

194. Ibid., p. 5.

195. Ibid., p. 4.

- **the gatekeeper**. These people create information bottlenecks, controlling the flow of information to particular parts of the organization thus making themselves indispensable.[196]

Furthermore, Stephenson suggests that each culture has "… at least six core layers of knowledge, each with its own informal network of people exchanging conversation. Everybody moves in all the networks, but different people play different roles in each; a hub in one may be a gatekeeper in another." These core layers are the:

- **work network**. These are the everyday contacts of the organization's routine operations, the resting pulse of the organizational culture.
- **social network**. This network indicates trust and must be strong enough to withstand stress and uncertainty but not demand too much of people's personal time.
- **innovation network**. Here people talk openly about their perceptions, ideas, and experiments and view tradition dimly.
- **expert knowledge network**. These people hold the critical and established, yet tacit, knowledge of the enterprise, and innovation often threatens them.
- **career guidance or strategic network**. This network focuses on the future and often influences corporate strategy.
- **learning network**. People here may become bridges between the old guard and the new. This network tends to lie dormant until change awakens a renewed sense of trust.[197]

Trust is always central in these networks and can be influenced in various ways. Trust can be weakened when key people leave. It can be strengthened through such things as increasing the speed with which people respond to electronic communication or ensuring the time and space for face-to-face interaction. Trust grows as people consciously choose to create authentic relationships with others in the organization.

Stephenson's framework is certainly only one way to conceptualize knowledge networks. It does, however, provide a deepened understanding of the networks of relationships existing in all organizations and operating informally and invisibly. These are networks that embody social capital. They become more visible when people pay attention to them.

Knowledge "Management"

Discussing knowledge management begins with distinguishing between "knowledge" and "information."

196. Ibid., pp. 4-5.
197. Ibid., pp. 8-9.

Gregory Bateson has defined information as "any difference that makes a difference." His idea is that human beings attach meaning to data when they see it, hear it, feel it, or otherwise experience it. They either ignore or dismiss it, or accept it as "information." Some consider "accumulated information" to be "knowledge." Others—especially those associated with the thinking and practice of "learning organizations"—define knowledge as "the capacity for effective action."[198] They believe that "knowledge cannot, by definition, be converted into an object and 'given' from one person to another. Knowledge only diffuses when there are learning processes whereby human beings develop new capacities for effective action. Information technology, while critical for enabling the spread of information, cannot 'capture and store' knowledge. Only people can do that."[199]

Margaret Wheatley describes knowledge "management" as a survival issue for organizations. Its goal is to ensure that organizations can act intelligently and work to develop long-term individual and organizational capacity. Although Wheatley does not use the language of "social capital," her treatment of "knowledge management" embodies the principles and practices that foster organizational social capital.

What beliefs hinder knowledge management? Often they are beliefs that are connected with the old paradigm (i.e., organizations are machines; only material things and numbers are real; only what can be measured can be managed; technology is the best solution.) [200] Indeed, Wheatley calls "knowledge management" an oxymoron as "We're trying to measure something—knowledge—that is inherently invisible, incapable of being quantified, and born in relationships, not statistics."[201] In this regard, knowledge resembles social capital.

Wheatley contrasts Japanese attention to important but intangible "tacit" knowledge with the Western focus on "explicit" knowledge that can be "produced, measured, catalogued, warehoused, traded, and shipped."[202] She quotes David Skyrme, who suggests that a common image of knowledge management in both the United Kingdom and North America is of "decanting the human capital into the structural capital of an organization."[203]

Wheatley compellingly argues for bringing the human dimension back into thinking about the challenges of knowledge in organizations. She emphasizes that "knowledge is something I create inside myself through my engagement with the world. Knowledge never exists independently of this process of my being in relationship with an event, an idea, or another person. This process is true for all of us. Knowledge is created in relationship, inside thinking, reflecting human beings."[204] Human beings,

198. Senge et al., *The Dance of Change: The Challenges of Sustaining Momentum in Learning Organizations*, p. 421.
199. Ibid.
200. Wheatley, *Finding Our Way: Leadership for an Uncertain Time*, pp. 146-47.
201. Ibid., p.147.
202. Ibid.
203. Ibid., p. 148.
204. Ibid., p. 149.

and all other living forms, engage in an ongoing process of knowledge creation—noticing, reacting, and changing.

Wheatley has identified the following principles for facilitating knowledge management in organizations:

- **Human beings create knowledge.** Thinking in terms of "human knowledge" emphasizes what it is and from whence it comes. It focuses attention on the organizational conditions that support people, foster relationships, and give people time to think and reflect. People, not knowledge, are the "intellectual capital" or "asset."
- **People naturally create and share knowledge**. Research studies confirm important ideas about human motivation: that people want to learn and contribute; that they want to be together; and that they want their lives to mean something. They are motivated by work that provides growth, recognition, meaning, and good relationships, and they need to be involved in decisions that affect them.
- **Everybody is a knowledge worker**. If everybody creates knowledge, then the organization must take responsibility for supporting everyone and ensuring they have easy access to one another. Someone may already have the solution the organization is seeking.
- **People choose to share their knowledge**. The important word is "choose." People in organizations decide whether to share what they know or not. Knowledge sharing happens continually in most organizations through self-organized "communities of practice"—relationships people create spontaneously to get their work done or find support. Organizations must create the necessary (and non-negotiable) conditions for people to willingly share knowledge, including:
  - People must understand and value the objective or strategy.
  - People must understand how their work adds value to the common objective.
  - People must feel respected and trusted.
  - People must know and care about their colleagues.
  - People must value and trust their leaders.

- **Knowledge management is not about technology**. Technical solutions do not solve anything if the organization's human dimension is ignored. Technology does not connect us, relationships do.
- **Knowledge is born in chaotic processes that take time**. This principle demands two things that people often do not have: time and a tolerance for messy, nonlinear processes. Creativity, breakthroughs, and transformative solutions arise from confusion and frustration. People must make time and space to think, talk informally, and reflect.[205]

Wheatley summarizes the "real work of knowledge management":

> Although we live in a world completely revolutionized by information, it is important to remember that it is *knowledge* we are seeking, not information. Unlike information, knowledge involves us and our deeper motivations and dynamics as human beings. We interact with something or someone in our environment and then use who we are—our history, our identity, our values, habits, beliefs—to decide what the information means. In this way, through our construction, information becomes knowledge. Knowledge is always a reflection of who we are, in all our uniqueness. It is impossible to disassociate *who* is creating the knowledge from the knowledge itself.… We must recognize that knowledge is everywhere in the organization, but we don't have access to it until, and only when, we create work that is meaningful, leaders that are trustworthy, and organizations that foster everyone's contribution and support by giving staff time to think and reflect together.[206]

Manville and Ober reinforce Wheatley's view. "Genuinely effective networks depend upon the development of a trust-based culture, and that kind of culture can only be built by people who have learned through practical experience the value (to individuals and communities) of exchanging knowledge, building on what other people know, and having an active hand in steering the direction of the work done together. Merely mandating or exhorting people to share what they know and to use what others know cannot create any sustainable organizational capability."[207]

These very principles and practices nurture individuals and foster social capital in organizations.

205. Wheatley, *Finding Our Way: Leadership for an Uncertain Time*, pp. 150-53.
206. Ibid., p. 154.
207. Brook Manville and Josiah Ober, *A Company of Citizens: What the World's First Democracy Teaches Leaders About Creating Great Organizations* (Boston: Harvard Business School Press, 2003), p. 126.

Communities of Practice as Network

Communities of practice are "groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis."[208]

> These people don't necessarily work together every day, but they meet because they find value in their interactions. As they spend time together, they typically share information, insight, and advice. They help each other solve problems. They discuss their situations, their aspirations, and their needs. They ponder common issues, explore ideas, and act as sounding boards. They may create tools, standards, generic designs, manuals, and other documents—or they may simply develop a tacit understanding that they share. However they accumulate knowledge, they become informally bound by the value that they find in learning together. This value is not merely instrumental for their work. It also accrues in the personal satisfaction of knowing colleagues who understand each other's perspectives and of belonging to an interesting group of people. Over time, they develop a unique perspective on their topic as well as a body of common knowledge, practices, and approaches. They also develop personal relationships and established ways of interacting. They may even develop a common sense of identity. They become a community of practice.[209]

This idea probably has existed for as long as human beings have lived together in groups. Wenger suggests that communities of practice were "the first knowledge-based social structures." He says that they exist everywhere, that everyone belongs to them in various realms of their lives. They have had particular significance in the business world since the advent of the global knowledge economy. "Many companies are discovering that communities of practice are the ideal social structure for 'stewarding' knowledge. By assigning responsibility to the practitioners themselves to generate and share the knowledge they need, these communities provide a social forum that supports the living nature of knowledge."[210] Furthermore, these communities develop spontaneously whether or not the organization recognizes and encourages them. Some degree of autonomy, voluntary engagement of members, internal leadership and informality are needed for a community of practice to flourish. But communities of practice also can be cultivated purposefully.

208. Wenger, et al., Cultivating Communities of Practice: A Guide to Managing Knowledge, p. 4.

209. Ibid., p. 5.

210. Ibid., p. 12.

Communities of practice can be big or small, long- or short-lived, co-located or distributed, homogenous or heterogeneous, inside and across organizations, spontaneous or intentional, and unrecognized or institutionalized.[211] In all cases, three fundamental elements define their structure: "a *domain* of knowledge, which defines a set of issues; a *community* of people who care about this domain; and the shared *practice* that they are developing to be effective in their domain."[212]

Communities of practice clearly foster and embody social capital, and reciprocity is their defining feature.

> Anthropologists who study communities have noted the importance of reciprocity in community participation. Members of a healthy community of practice have a sense that making the community more valuable is to the benefit of everyone. They know that their own contributions will come back to them. This is not a direct exchange mechanism of a market type where commodities are traded. Rather it is a pool of goodwill—of "social capital," to use the technical term—that allows people to contribute to the community while trusting that at some point, in some form, they too will benefit. This kind of reciprocity is neither selflessness nor simple tit for tat, but a deeper understanding of mutual value that extends over time.[213]

John Seely Brown, chief scientist of Xerox Corporation, strongly advocates for communities of practice. He describes them as "working fellowships" and sees them as essential in "sustaining the ecology of knowledge" in organizations. Seely Brown describes organizational mission as the grounding for creativity and innovation and he emphasizes the need to respect the interplay of social and intellectual capital. Reflecting on the role of the leader or manager in such an organizational culture, he comments that "… no one can manage a knowledge ecology. But we can understand the working principles of our communities, adapt our roles to be more effective, and improve the tools that support creativity.… Management gives way to mission. It is people's commitment to the continuous generation of knowledge that gives life to the communities on which we all depend."[214]

Wenger points out that communities of practice can potentially steward knowledge outside organizational boundaries. Indeed, citing "the world itself" as having become "the ultimate organization," he argues that the community-based principles related to the creation and application of knowledge in businesses and their markets also apply to the societal

211. Ibid., pp. 24-27.
212. Ibid., p. 27.
213. Ibid., p. 37.
214. John Seely Brown, "Sustaining the Ecology of Knowledge." *Leader to Leader* 12 (Spring 1999), p. 6.

challenges faced. "If we view the world as a learning system, we can imagine a constellation of communities of practice—a 'worldwide web' of interwoven communities that focus on various civic practices at different levels, including district, municipal, regional, national and global. This broader learning system collectively provides the foundation of social capital to foster global learning and to improve socioeconomic outcomes."[215]

Questions for Reflection and Discussion

- What percentage of people's intelligence and creativity does my organization actually use?
- Do we produce knowledge? Do we use information to create capabilities and competencies that did not exist before?
- Do we share and actively disseminate knowledge and information? Are knowledge and information available to everyone in the organization?
- Do we share knowledge and information with other agencies in our sector? How could we do this better?
- What capacities, assets, and strengths could we use more fully?
- Is our information technology adequate?
- Do we use information technology (e-mail, the Internet) effectively?
- Do we take time to think, to reflect?
- Do we take time to both discuss and have dialogue?
- Do we work in ways that support interconnectedness rather than separateness?
- What is our tacit and explicit knowledge? Where is each kind kept and by whom? How accessible is it? How can it be made more accessible?
- How do I find out things that I need to know?
- How am I an educator in my organization, using knowledge I have gained from my colleagues and clients to help my organization grow?
- Do we have any "communities of practice"?
- Where could we develop communities of practice in our organization? In the larger community?

215. Wenger, *Cultivating Communities of Practice: A Guide to Managing Knowledge*, pp. 229-30.

Trust at Every Level

> *Trust:*
>
> - *firm belief in the reliability, truth, ability or strength of someone or something*
> - *acceptance of the truth of a statement without evidence or investigation*
> - *the state of being responsible for someone or something.*[216]

Trust is fundamental and essential in relationships at every level. Citing Robert Putnam's book on governance in democratic societies, de Geus emphasizes Putnam's point that "no amount of hierarchical discipline and power can possibly substitute for the absence of civic behavior and mutual trust in a community."[217] De Geus further says that true control emerges when the organization and its members agree that they have the same interests, goals, and purpose. James Coleman adds "… a group whose members manifest trustworthiness and place extensive trust in one another will be able to accomplish much more than a comparable group lacking that trustworthiness and trust."[218]

In their book on business and social sector partnerships, Sagawa and Segal identify trust as a common theme in the literature they reviewed and the partnerships they studied. "According to Rackham, whose team interviewed hundreds of business executives involved in alliances, the simple idea of trust turned out to be the most compelling topic, on the minds of the vast majority of people we spoke with. Over 80 percent of those we interviewed pointed to trust as the most important precondition of partnering.' … Telling the truth, including disclosing self-interest, confronting disagreements, and following through on commitments, are other essential ways to enhance trust. Ultimately, as in a committed personal relationship, your partner's interest becomes as important as your own."[219]

Workplace morale, an important element in healthy workplaces, reflects levels of trust. When morale is poor, it is almost palpable.

> The term morale essentially captures the motivation and enthusiasm with which employees approach their work. It is often used in tandem with the concepts of loyalty, trust and commitment. In this sense, morale is the overall expression of the extent to which individual employees feel trusting of and committed to their employer. For employers, morale indicates the willingness of workers to put effort into their jobs. And while employees' perceptions

216. *New Oxford American Dictionary* (New York: Oxford University Press, 2001), p. 1817.
217. de Geus, *The Living Company: Habits for Survival in a Turbulent Business Environment*, p. 119.
218. Coleman, *Foundations of Social Theory*, p. 304.
219. Sagawa and Segal, *Common Interest, Common Good: Creating Value Through Business and Social Sector Partnerships*, pp. 222-23.

> of morale is an important issue for organizations, it is also an important barometer for workers, indicative of the overall climate in the workplace. In short, morale is a feature of psychologically healthy work and productive work environments.[220]

Focusing on the intra-personal nature of trust, Avery says "… how much you trust others is really a reflection of how much you trust yourself."[221] Indeed, most people have experienced the painful and negative consequences of trusting too little or too much.

Avery provides four suggestions for nurturing trusting relationships in the workplace:

- Make only agreements you intend to keep.
- Keep all agreements, no matter how small.
- Call yourself and others on broken agreements when they happen.
- Clean up broken agreements when you (inevitably) break them by:
    - acknowledging relationship mistakes quickly
    - apologizing effectively
    - making amends
    - recommitting to the relationship.[222]

Virtual Trust

In an analysis of work in the "new, flexible capitalism," Sociologist Richard Sennett examines the impact of the global marketplace (with its heavy reliance on technologies that can operate disconnected from time and place) on the individual in the organization. Sennett suggests that a short-term time dimension, instability, and uncertainty are "woven into the everyday practices of a vigorous capitalism."[223] Although he does not lament the loss of rigid, hierarchical organizational structures, he does express concern about loose and flexible network structures that often rely on fleeting associations and shallow bonds of trust and commitment. His wonders about the long-term impact of an economic regime "which provides human beings with no deep reasons to care about one another."[224]

Cohen and Prusak raise similar concerns about "the challenge of virtuality."[225] "What we said about volatility—that high social capital can help protect organizations from the damage it can cause—holds true for virtuality too. Organizations that have robust networks and communities, a deep reservoir of trust, and a clear sense of organizational

220. Lowe and Schellenberg, *What's A Good Job? The Importance of Employment Relationships*, p. 56.

221. Avery, *Teamwork is an Individual Skill: Getting Your Work Done when Sharing Responsibility*, p. 113.

222. Ibid., pp. 111-38.

223. Richard Sennett, *Respect in a World of Inequality* (New York: W.W. Norton and Company, 2003), p. 31.

224. Ibid., p. 148.

225. Cohen and Prusak, *In Good Company: How Social Capital Makes Organizations Work*, p. 155-81.

identity are likely to have more success performing virtual work than organizations that are somewhat fragmented and likely to become more fragmented by trying to work at a distance."[226] In other words, people must not over-emphasize the significance of technology. Knowledge and relationships between those who use the technology are more important and must be nurtured intentionally.

One significant difference between the for-profit and nonprofit sectors is that many nonprofits operate locally and face less virtuality. Nonprofit organizations use electronic communication and the Internet as work tools, but many do not rely heavily on them for organizational effectiveness. Virtual networks are often a "bonus" rather than a necessity.

Trust and Social Capital

Trust often is considered the key ingredient in social capital. "The relationships, communities, cooperation, and mutual commitment that characterize social capital could not exist without a reasonable level of trust…. It is at once a precondition, an indication, a product and a benefit of social capital, as well as a direct contributor to other benefits."[227] Trust is fragile and can be destroyed quickly and easily. Well-established trust in an organization can add resilience and generate more trust.

Cohen and Prusak say "[a]cting to build and maintain trust is the most important social capital investment leaders can make."[228] Leaders and managers can achieve this through "authentic action," which involves being trustworthy, being open and encouraging openness, and trusting employees "by assuming they care about doing their work well."[229]

In summary, trust is characterized by honesty, openness, communication, fair and equitable treatment, and reliability. Integrity builds trust between colleagues and between employees and their leaders and managers. Authentic relationships can be challenging and difficult, and are infinitely rewarding.

Questions for Reflection and Discussion

- What words best describe the environment in my organization (e.g., turbulent, competitive, controlled, cooperative)?
- Whom and what can I trust in this organization?
- Do I feel secure?
- Am I "above board" in my behaviour?
- Does my leader or manager engender mutual trust and high morale among board and staff members?

226. Ibid., p. 179.

227. Ibid., p. 29.

228. Ibid., p. 45.

229. Ibid., pp. 45-50.

- Does my leader or manager maintain high ethical standards throughout the organization and serve as a role model for staff and volunteers?
- Does my leader or manager exercise good judgment in decision-making?
- Are issues discussed?
- Is my organization transparent in dealing with financial information, progress on goals, issues, and concerns?
- Do I speak up for what I believe? Why or why not?
- How do I ensure that my views are considered?
- Can I express doubts and uncertainty without repercussions? Can I ask for help?
- How is support expressed?
- Do people find the workplace a supportive community that encourages learning?
- How would I approach a colleague whose personal style or problems threaten workplace relationships and/or productivity? Who else in the organization could I approach with my concerns?
- Are we free to experiment and be innovative? Are we clear about the extent to which we can "bend the rules"?
- How could we rebuild trust and commitment in areas where it has been diminished?

Shared Power

Power:

- *the ability to do something or act in a particular way, especially as a faculty or quality*
- *the capacity or ability to direct or influence the behavior of others or the course of events*
- *Origin: from Anglo-Norman French* poeir*, an alternation of Latin posse—"be able"*[230]

The greatest source of power in any organization is personal power: the character, courage, determination, knowledge and skill of the individual members of the organization.

- Keshevan Nair[231]

230. *New Oxford American Dictionary*, pp. 1137-38.

231. Keshevan Nair, *A Higher Standard of Leadership: Lessons from the Life of Gandhi* (San Francisco: Berrett-Koehler Publishers, 1994), p. 91.

Dynamics of power is a dimension of organizational life that receives too little attention. The way in which power plays out can significantly influence the strength of organizational social capital. Misuse often is a factor in work environments characterized by unhappiness, low trust, and overt or covert conflict. Power imbalances can create emotionally unsafe environments. People cannot say what they think, feel, or need because to do so would be somehow dangerous. Risks may include job loss or exclusion from important organizational networks and processes. Sometimes those with more power are unaware of the extent to which this dynamic impacts on those with less power. Sometimes those with more power are highly aware of this dynamic and use it to their advantage.

Power comes from many sources, including gender, personality, and position. While much has been written about gender, it is important to acknowledge the gender-based inequities in the workplace and in balancing work and family life. Organizations must be mindful of these inequities and be prepared to explore whether power issues have a gender component—and take appropriate action if necessary.

Both positive and negative power also can be derived from someone's personal style. All people need a sense of personal efficacy, but they gain this in different ways. In the Enneagram framework, the Eight personality style (the "boss," the "top dog," the "challenger") experiences the world through a lens of power and control. These people often possess forceful energy and an intensity that masks their own vulnerability. They frequently are quite unaware of their impact on others, and often others are afraid to confront them. People with this personality style are most effective when they learn to use their power to serve others and accept their own vulnerabilities. Colleagues are not responsible for changing people with this personality style, but they might find it helpful to recognize when they are dealing with someone with this style. Not everyone who abuses or misuses power is an "eight." Other personality types also can misuse their power, although they have different motivations and different behaviours. "Ones," for example, often believe that they know the "right" way to do things and may behave in a controlling manner as a result of this. "Threes" may misuse their power because they want to appear successful. People may find it helpful to reflect on their personal relationship with power and clarify how to use it appropriately at work day to day.

Power often is derived from position, especially in the traditional hierarchical organizational structure. "The higher you were, the more you could give directions to other people, make your own decisions, and be less controlled by supervision. Power meant the ability to tell others what to do, and have them obey. It meant you didn't have to learn."[232] This power is about control over people, over resources, over information. Unfortunately, in spite of much evidence that this kind of power is largely counterproductive (even abusive), it continues in many organizations. Kotter provides an interesting perspective on this kind of power dynamic by pointing out the leader or manager's vulnerability in that s/he depends on others' activities to get the job done effectively. An alternative approach, with potential benefit to all involves the leader or manager purposely building a network of cooperative relationships (i.e., social capital) through which the organizational agenda can be accomplished.

Another dimension of power is connected to the size of the organization. Jaffe makes the point that "… the larger the organization, the less power people feel they have to achieve real change."[233] He advocates that power and authority be shifted and redistributed across the organization. In an "empowered organization," the direction of change may come from "the top," but work groups control the means to achieve the changes.

Peter Block makes the same point.

> The argument for the redistribution of power is that each of us is more likely to care for what we control. If this workplace, this project, this community belongs to another, I will do what is required and work by the book. Under conditions of fear and inducement, I may give a little more. If, however, this workplace or project or community is mine, I am more likely to give all I have, to do whatever is required, to care in a different way. What makes this project mine grows not out of any logic, but out of my engagement with it. The more I join in its creation and its shape, the greater my accountability for its success. There are few ideas that are better understood and less acted on than this one.[234]

In *The Living Company: Habits for Survival in a Turbulent Business Environment*, Arie de Geus makes a strong, compelling case for "an ethic of distributed power" in organizations. He acknowledges the military as a "particularly strong source of inspiration" for many large organizations but then questions how appropriate an institution organized around war is as a business model. He criticizes centralized power—which is useful in the crisis of war—because it reduces the organization's learning capacity. "If management gives in to the irresistible temptation to concentrate power at the top, too few brains are engaged in institutional learning."[235]

232. Jaffe et al., *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization*, p. 52.

233. Ibid., p. 122.

234. Block, *Flawless Consulting: A Guide to Getting Your Expertise Used*, p. 270.

235. de Geus, *The Living Company: Habits for Survival in a Turbulent Business Environment*, p. 196.

Acknowledging the important role of commercial institutions ("to provide mankind with the material goods necessary for a decent living") and the increasing importance of knowledge-creation for company success, de Geus argues organizations must open the debate about power and governance. Living companies need freedom, space, and mutual trust between members in order to thrive. Concentrated power limits freedom, knowledge creation and propagation, institutional learning and, ultimately, effective action.

Peter Block advocates for partnership as an alternative to the patriarchal way in which most organizations are structured. Describing patriarchy as a belief system shared to some extent by all, he suggests that this model of organizational governance endures because it seems to address people's needs for control, consistency, and predictability. Like others, Block reminds people that organizations incur costs and consequences when they concentrate power, privilege, and rewards at the top. Block suggests partnership as a way of balancing power and responsibility and sets out four requirements for a real partnership:

- **exchange of purpose.** Everyone at every level is responsible for defining the vision and values. The purpose becomes defined through dialogue.
- **right to say no.** People may not always get what they want, but they always have a voice.
- **joint accountability.** This means personal accountability: the quality of cooperation and its outcomes are everyone's responsibility.
- **absolute honesty**. Removing the social distance and vulnerability of a patriarchal relationship makes space for honesty. Not telling the truth in a partnership relationship is an act of betrayal.[236]

Partnership never eliminates hierarchy entirely. Block further suggests that "[p]eople at higher levels do have a specialized responsibility, but it is not so much for control as it is for clarity."[237]

Kouzes and Posner advocate for the sharing of power by leaders in organizations. They highlight "the paradox of power: *we become the most powerful when we give our own power away."*[238] They agree that power should be used to serve others and to strengthen others to become leaders themselves. "[A]ny leadership practice that increases another's sense of self-confidence, self-determination, and personal effectiveness makes that person more powerful and greatly enhances the possibility of success."[239] They suggest that people reflect on their own experiences of feeling

236. Block, *Flawless Consulting: A Guide to Getting Your Expertise Used,* Second Edition, pp. 29-31.
237. Ibid., p. 32.
238. James M. Kouzes and Barry Z. Posner. *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations* (San Francisco: Jossey-Bass, 1995), p. 185.
239. Ibid., p. 184.

powerless and powerful, and they emphasize that *feeling powerful—literally feeling 'able'—comes from a deep sense of being in control of our own lives.*"[240]

In *Stewardship: Choosing Service Over Self-Interest*, Block identifies Mahatma Gandhi as the century's role model for service-based power. Gandhi called this "trusteeship," which rests on several main principles:

- **Power is granted from those below**. A person has no inherent right to power (by birthright, talent, or achievement). The community creates the opportunity for a person to be in a position of power, and that person is accountable to the community.
- **Our contribution is our humanity**. The primary obligation of being in a position of power is to be a good human being. This entails conscious self-development, being vulnerable, and staying in intimate contact with others.
- **What is true is known to all**. Each person has knowledge and answers within.[241]

In summary, the concept of power has many dimensions. People must be aware of their personal beliefs and values related to power and how they participate in the power dynamics being played out at every moment in their organizations. Building social capital requires a sharing of power.

Questions for Reflection and Discussion

- When I consider my organization's structure, do I think of a hierarchy or some other structure?
- What differences in status exist among individuals or among groups? How are these differences expressed?
- What roles do men and women play in my organization? Does gender inequity exist?
- Are power differences recognized? How do people deal with these power differences? Are differences in who has high power and who has low power related to specific issues?
- What are my organization's prevailing assumptions about power? Do I share these assumptions?
- Do I have the authority to make routine decisions or must I consult with the leader, manager, or senior staff?
- Whose interests are considered in decision-making?

240. Ibid.

241. Block, *Stewardship: Choosing Service Over Self-Interest*, pp. 41-43.

- Do people have decision-making authority appropriate to their responsibilities?
- Whom do people trust to make decisions on their behalf?
- Who decides who gets privileges? Is this a top-down process?
- What behaviour does my organization reward—compliance? caution? assertiveness? asking questions?
- How do people react when someone challenges authority?
- Who are my organization's opinion makers?
- Does my organization have an ethic of distributed power?
- Are there or should there be lesser rights and responsibilities for those who are only partial members of the organization?
- Are leaders and managers accountable? Do they listen to challenges from others in the organization?
- Do leaders and managers build others' leadership capabilities as part of their leadership role?
- Do the organization's policies and procedures emphasize decision-making, control, and direct action at the lowest possible level?

Developing Leaders and Leadership

You must be the change you want to see in the world.

- Mahatma Gandhi[242]

The longest road you will ever walk is the sacred journey from your head to your heart.

- Phil Lane, Native American teacher[243]

Leadership development and succession planning are pressing concerns in the nonprofit and voluntary sector. As the sector anticipates a massive wave of retirements a few years from now, it must devote energy now to cultivating organizational leadership. Workplaces with strong social capital are workplaces with effective leaders and managers and many opportunities for everyone in the organization to identify and develop their leadership abilities.

242. Mahatma Gandhi, www.quotationspage.com/mqotd.html (accessed July 24, 2007).

243. Quoted in Senge et al., *Presence; Human Purpose and the Field of the Future*, p. 240.

Views on leadership

A contemporary, systemic view of leadership casts leaders as visionaries and builders. A key role of the leader is to encourage and support people's growth. Wheatley emphasizes the leader's approach, saying that "You can't direct people into excellence; you can only engage them enough so that they want to do excellent work."[244] The leader does this by providing resources and information, helping to create connections across the organization, and fostering conversation and creativity. Purpose, values, and principles bind people together in a democratic organizational community in which everyone has an important contribution.

Robert Greenleaf coined the term "servant leadership" in 1970 in an essay entitled "The Servant as Leader." Greenleaf's ideas have since evolved into an approach to leadership and management studied and practiced by countless numbers of people. Based on Greenleaf's work, Spears identified 10 important characteristics of the servant leader:

- **listening**. The leader listens deeply, receptively, and reflectively.
- **empathy.** The leader strives to understand, accept, and assume the good intentions of others.
- **healing.** The leader heals both self and others to enable transformation, integration, and wholeness
- **awareness**. The leader is aware of self and others, able to be disturbed and awake, and able to understand issues involving ethics and values
- **persuasion.** The leader uses persuasion rather than authority of position in making decisions, consensus-building rather than coercion.
- **conceptualization**. The leader balances day-to-day focus and great dreams for the longer term.
- **foresight**. The leader uses intuition to understand the past and present and anticipate each decision's likely consequences for the future
- **stewardship**. The leader holds the institution in trust for society's greater good, using openness and persuasion rather than control
- **commitment to the growth of people**. The leader believes in people's intrinsic value that goes beyond their contributions as workers and commits deeply to their personal, professional, and spiritual growth.

244. Wheatley, *Finding Our Way: Leadership for an Uncertain Time*, p. 71.

- **building community**. The leader finds way to build community among those working in the organization.[245]

In *A Higher Standard of Leadership: Lessons from the Life of Gandhi,* Keshevan Nair also puts service at the center of leadership. He says that people lead when they follow these five steps:

- Focus on responsibilities.
- Emphasize values-based service.
- Make a commitment to personal service.
- Understand the needs of the people being served.
- Reconcile power with service.

Margaret Wheatley acknowledges service in the context of leadership as "spiritual" work. She proposes several principles that "describe the essential work for leaders" that have also been "the focus of spiritual inquiry for centuries":

- Life is uncertain; it never stops teaching people about change.
- Life is cyclical; newness emerges from the dark times.
- Meaning motivates people.
- Service brings people joy.
- Courage comes from the heart.
- People interconnect with all life.
- People can rely on human goodness.
- People need peace of mind.[246]

On a more practical level, Wheatley suggests the following leadership principles that truly engage people in working together and foster social capital:

- **Engage creativity through meaning**. The only way to know what is meaningful to people in organizations is to be curious, to notice what interests and energizes people, to expect diversity in ideas, and to be prepared to work *with* the group, *doing real work.*
- **Depend on diversity**. In diverse organizations, there are multiple ways of doing things. When the environment changes to demand a different approach, it is likely that the needed solution is already being practiced somewhere in the organization. Organizational innovation and adaptation cannot be reliant on the views of only one person.

245. Larry C. Spears, ed., *Reflections on Leadership: How Robert Greenleaf's Theory of Servant Leadership Influenced Today's Top Management Thinkers* (New York: John Wiley and Sons Inc., 1995), pp. 4-7.

246. Wheatley, *Finding Our Way: Leadership for an Uncertain Time*, pp. 126-31.

- **Involve everybody who cares**. Broad-based participation is not optional. If people's intelligence and support is wanted for innovation and change, they must be welcomed as co-creators in the process.
- **Encourage diversity as the path to unity**. Differing perceptions often share a unifying idea or theme. Discovering a shared meaning for the work enables the work to get done.
- **Expect to be surprised by people's contributions**. The act of listening to our colleagues—their interpretations, their stories, what they find meaningful in their work—changes relationships and brings people closer together.[247]

Developing leaders

What qualities do successful leaders have? Citing extensive research, Nanus and Dobbs identify and describe four characteristics that consistently top the list of qualities most admired and/or desired in a leader. These include being honest, forward looking, inspiring, and competent.[248]

Warren Bennis suggests that leaders seem to share a number of qualities, including: a guiding vision (personal and professional), passion, integrity (which has three essential parts: self-knowledge, candor, and maturity), trust (which must be earned rather than acquired), curiosity, and daring.[249] Bennis maintains that leaders are not born—they "invent themselves."

In *The 108 Skills of Natural Born Leaders*, Warren Blank presents the premise that "anyone can be a leader." He divides leadership skills into three broad categories: foundational skills, leadership direction skills, and leadership influence skills. Of particular importance are foundational skills that focus on expanding self-awareness, building rapport, and clarifying expectations. Blank emphasizes that these skills require consistent and lifelong care.

Peter Urs Bender delivers a similar message in *Leadership from Within*. He cites fear as the biggest block to leadership, but he also says that anyone can learn skills to nurture the seeds of leadership dormant within. His five key steps to developing "leadership from within" are: know yourself, have vision and passion, take risks, communicate effectively; and check progress and results.[250]

Kouzes and Posner have formed their ideas about leadership over more than 20 years of research. They write for anyone wanting to develop ability in leading others. With a strong emphasis on respectful, strength-based relationships, they have distilled five fundamental practices for exemplary leadership and 10 behaviours, or commitments related to them:

247. Ibid. pp. 77-82.
248. Nanus and Dobbs, *Leaders Who Make a Difference: Essential Strategies for Meeting the Nonprofit Challenge*, pp. 21-24.
249. Bennis, *On Becoming a Leader*, pp. 31-33.
250. Peter Urs Bender, *Leadership from Within* (Toronto: Stoddart Publishing, 2001), p. 22.

- **Challenge the Process.**
  - Search out challenging opportunities to change, grow, innovate, and improve.
  - Experiment, take risks, and learn from resulting mistakes.
- **Inspire a Shared Vision.**
  - Envision an uplifting and ennobling future.
  - Enlist others in a common vision by appealing to their values, interests, hopes, and dreams.
- **Enable Others to Act.**
  - Foster collaboration by promoting cooperative goals and building trust.
  - Strengthen people by giving power away, providing choice, developing competence, assigning critical tasks, and offering visible support.
- **Model the Way.**
  - Set the example by behaving in ways consistent with shared values.
  - Achieve small wins that promote consistent progress and build commitment.
- **Encourage the Heart.**
  - Recognize individual contributions to the success of every project.
  - Celebrate team accomplishments regularly.[251]

In a subsequent book, *Encouraging the Heart,* the authors focus on people's need for encouragement and recognition. They say leaders must "encourage the heart" in the workplace by seven behaviours: setting clear standards, expecting the best, paying attention, personalizing recognition, telling the story, celebrating together, and setting the example.

In summary, two themes stand out in relation to "becoming" a leader. One is self-awareness and ongoing personal development. The other is supporting and encouraging the development of others. Personal values and principles provide the foundation on which vision, passion, and integrity must stand.

Nonprofit and Voluntary Sector Leadership

Being a leader in the nonprofit and voluntary sector presents some unique challenges. In Canada, the National Learning Initiative for the voluntary

251. Kouzes and Pozner, *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations*, p. 18.

sector has identified "core competencies" for nonprofit and voluntary sector leaders. (See Appendix C.) These competencies recognize the complexity of the leadership role in the current environment.

Acknowledging the distinctive character of nonprofit leadership (i.e., their social charter, the diverse constituencies served, and financial constraints), Nanus and Dobbs identify six key roles for nonprofit leaders: visionary, strategist, change agent, coach, politician, and campaigner. They describe "the next stage" of nonprofit leadership as follows:

- Have leaders at every level, including volunteers, and fewer administrators.
- Lead by vision and create new directions for long-term growth and service.
- Seek effectiveness and create domains of uniqueness and distinctive competencies.
- Lead by creating strategic alliances and new resources.
- Anticipate and create the future.
- Design flatter, distributed, more collegial organizations.
- Empower and inspire people, and facilitate teamwork.
- Share information with many internally and externally.
- Coach people and create learning communities.
- Act as change agents, creating agendas for change, balancing risks, and evolving the culture.
- Be responsible for developing future leaders.[252]

The themes listed above emerge repeatedly in the literature about practices that support employee well-being and organizational effectiveness, and foster social capital. Clearly these practices must be rooted in values and principles—both those held by the leader and by the organization.

Questions for Reflection and Discussion

- Do I consider my executive director a "manager" or a "leader"? What do these words mean to me?
- Does my executive director see himself/herself as a manager or a leader? What do these words mean to her/him?
- Is my organization well managed and well led? How do I know this? What are my criteria for assessing this?

252. Nanus and Dobbs, *Leaders Who Make a Difference: Essential Strategies for Meeting the Nonprofit Challenge*, p. 259.

- How would I describe our organizational culture? What role does our leader/manager play in this culture?
- What words best describe the style of my organization's leader (e.g., participatory, decisive, reflective, principled, entrepreneurial)?
- Does our leader's style, competence, personality, and interests fit with the work needing to be done?
- Are people the most important resource in my organization?
- How many layers of management exist in our organization? Too many? Not enough?
- Has our manager developed and implemented an effective strategy for the organization's future development? Have other members of the organization been engaged and involved in this process? How?
- Has our leader/manager supported innovative programs to deal with client and community needs and followed through to ensure that these programs were well delivered?
- Has the manager built and nurtured effective relationships with all employees?
- Does the leader have the full support of board and staff members?
- Has the leader developed and secured commitment to a meaningful and effective organizational vision and mission?
- Has the leader communicated well with all stakeholders and been an effective spokesperson, advocate, and negotiator for the organization's interests?
- Does the leader respond promptly to changes in client and community needs? Does the leader work with others in the organization to anticipate needs and make changes?
- Does the leader foster effective collaboration, teamwork, and sense of community within the organization?
- Does the leader engender mutual trust and high morale among board and staff members?
- Does the leader have a succession plan?
- Who are the informal leaders in my organization? What makes them leaders?

- Are others in my organization ready to take on leadership roles?
- How does the leader encourage the development of other leaders in my organization?
- What is the quality of our broader community's leadership, both current and potential?
- How am I developing myself as a leader?

Questionnaires for Photocopying
Appendix A

The following Questions for Reflection and Discussion first appeared within the text and are provided here by category for easy photocopying and use.

Self-Awareness and Good Relationships

- What motivates me to work? How is my work personally meaningful?
- Why is my work worth doing? Do I contribute to some greater good?
- What is my job title? Does it accurately reflect my role (i.e., what I do)? If I could change my title what would it be? Would I change my title only or my role as well?
- How engaged and active am I in my organization?
- How much interest and energy do I have for my work? Do I see myself as a "victim," a "passenger," or a "driver" in moving my organization toward a "preferred future"?
- What expectations can people reasonably have of their work environment?
- What expectations do I have of my work environment?
- What degree of commitment and capability is required to belong to this organization? Do I have it? Do I believe that my colleagues have it?
- Am I aware of my personal style and what impact it has on others?
- What are my assumptions about people?
- Can I articulate the values most important to me? Do I have a personal mission/ purpose statement?
- How concerned am I about the well-being of other members of my organization? Of the organization as a whole?
- How would I describe my personal communication style? My personal problem-solving style?
- Am I able to move out of my comfort zone? Do I take risks?
- Am I conscious and purposeful about creating positive and productive experiences for myself in meetings, in committee work, in my work in general?
- Do I know where I stand in this organization? How do I get feedback? What are my organization's norms about asking where I stand?
- Where and how am I acknowledged and rewarded?
- Who needs to know about the progress of my work? Do I keep those people informed?
- How do I find out things?
- What do I notice and consider when I have a difficulty?
- How do I deal with conflict (ignore, confront, suppress, compromise)?
- Do I let others know when they do things that limit my ability to be effective? Do I expect the same from others?
- How do I respond to change? How do I respond to my intuitions about how things should change?
- Do I maintain a personal learning and development program? Do I add to my skills continually?

- Do I communicate confidence and optimism to others, energizing them and raising their hopes and aspirations?
- What is unique about what I do? What are my assets? How can I further develop my unique contribution? What liabilities stand in my way? What is my pattern of failure and my personal danger signals?
- How can I find more meaning or involvement in my work?
- What do I want and need from the organization?
- What do I want to accomplish here in the next year? In the next few years?
- What will be my legacy in this organization?

"Big Picture Focus: Systems Thinking

- Organizations have a "persona" just as people do. How would I describe my organization's persona (e.g., innovative, collaborative, principled, resilient, toxic, caring)? Would my colleagues perceive and describe the organizational persona differently?
- Does my organization foster open, free-flowing communication or is communication formal and business-like?
- How does my organization deal with conflict? Are tensions simmering under the surface of the organization?
- What attitudes, ideas, and behaviours does this organization reward? How and by whom?
- Are issues discussed? Are they discussed until resolved and/or consensus is reached?
- What issues do people raise repeatedly?
- What stories are told over and over?
- What organizational history, culture, and "ghosts" exist? How?
- What topics generate the most energy, positive or negative?
- What happens when someone new joins the group, the committee, the workplace?
- Who chairs meetings and committees? How are these people chosen?
- Where and how do people sit in meetings?
- Who talks first? Last? Who always talks? Who never talks?
- Are participants' contributions acknowledged? How?
- What nonverbal behaviours do I notice?
- How well do I listen to those with whom I disagree?
- Are differences openly confronted?
- Who champions particular causes and issues in this organization?
- Who always asks the challenging questions or the questions no one thinks to ask? If we value this, how can we cultivate it in our meetings and committees? Do we challenge people or principles?
- How does the group make decisions?
- Who has the information needed to make good decisions?
- When a problem develops, who identifies what it is? Who is involved? What relationship exists between these individuals or groups? Who supports whom? Who has conflict with whom? Who is included and who is excluded and why? How do I contribute to this problem and perhaps block its solution? What assumptions do we make about a problem and our ability to solve it? Can we view problems differently?
- What self-limiting assumptions do we make about our capabilities or resources?

"Community" Development

- Do I consider my organization a community?
- Does my organization provide physical space that is engaging and comfortable? Am I free to create a personalized workspace? Does my workspace provide opportunities to balance both interaction and autonomy?
- Would I characterize my organization as a cooperative workplace?
- Are we encouraged to collaborate with one another?
- Are there teams/divisions/subgroups in my organization? What formal groups exist? What informal groups exist? Do the two overlap? Do the informal groups undermine the formal groups?
- What barriers exist between staff from different parts of the organization? Can they work together freely?
- Are we united around our mission and vision?
- Where does competition exist in our organization? Is it healthy or antagonistic?
- Is individualism (autonomy, self-determination) balanced with connectedness/community?
- Are there "disorders" in the kind and/or strength of relationships in my workplace community (e.g., cliques, dependence, disconnectedness)?
- Do my workplace relationships involve "fair exchange"? Do I both give and receive?
- How do I work with others? Are our agreements clear? Do we experience tensions or differences in approach or priorities?
- What contribution do others need me to make in order to make their own contribution to the organization? When, how, and in what form? What do I require from others?
- Do I see how my work contributes to organizational success?
- Do we resolve conflicts effectively?
- Do we have time and space for social talk, storytelling, and celebration?
- Are we committed to learning together and generating knowledge?

Alignment with Mission, Vision, and Values

- What is my organization's purpose? Who do we serve?
- How did my organization originate? What factors have positioned it here? What are the advantages and disadvantages of this position?
- Is there a difference between how my organization sees itself and how others see it? How might others (e.g., clients, the community, funders) characterize my organization?
- Does my organization have a clear sense of its mission and vision? Do its members know and respect its mission and vision? Do mission and vision guide the day-to-day work?
- Does the organization's name hold meaning for its members and clients?
- How big is my organization and how big does it want to become?
- What does it mean to me to be a member of this organization?
- What do we owe to our key constituencies? What do they expect of us?
- What core beliefs generate my organization's value system and guiding principles?
- Are the beliefs espoused in our organizational literature (e.g., values statements) congruent with organizational behaviour?
- Does my personal purpose align with my organization's purpose? Do my personal values align with my organization's values?
- Do we risk violating ethical principles in any area?
- If members of the leadership/management team were asked to identify the ethical issues the organization should tackle, could they? Could they do an ethical analysis of an important program or business decision? If they received credible evidence of misconduct, would they know what to do?
- Do we have a strategic plan? When was it developed? How? Who was involved? How often is it reviewed?
- Does my organization value efficiency or effectiveness more highly?
- What are my organization's prevailing assumptions about accountability? What are my assumptions about accountability?
- Do our values, beliefs, or mission explicitly commit to creativity and innovation?

A Culture of Learning and Change

- Who sets my organization's goals and how do they do it?
- How well are we achieving our goals? How do we know? How do we evaluate or measure performance?
- Has the demand for our programs and services grown, stabilized, or declined in the last few years? What might that tell us?
- Do we regularly survey our clients about programs and services?
- Is my organization open to learning and change?
- What results and new ways of working do we want to create?
- What characteristics of our culture will most likely hinder change?
- Which characteristics will likely help?
- What attitudes must shift?
- Do we set goals based on potential rather than probability?
- Is our learning purposeful and relevant? Is learning aimed at our core purpose/mission? Can people make use of it? Does it improve service delivery?
- Are we able to adapt to changing laws and official standards and can we anticipate changes and adjust?
- How does my organization capture learning? Is anything missing from the manuals and files? How could we better capture and use the knowledge that our organization has?
- Do we test our experiences continuously? What structures do we have for this testing? Do we examine and challenge "sacred cows"? Are we able to hear potentially negative information?
- How do we celebrate/recognize/acknowledge failure (not poor performance)? Do we learn from failure? How could we do that better?
- What must die before we can tackle something new? What will it take for this to happen?
- What must we do differently? What will happen if we did nothing?
- Am I open to learning and change? What changes do I need and want to make? What will happen if I do not change?
- What part of my work role involves advocating for change rather than supporting the traditional way?
- How diverse are our employees and how are they diverse?
- What are my and my colleagues' preferred learning styles? How could we strengthen and access less well-represented styles?
- How many "intelligences" does my work space switch on (i.e., physical/kinesthetic, spatial/visual, linguistic, logical/mathematical, creative/musical, emotional/interpersonal, intrapersonal)?
- Does my organization encourage employees to take risks? To be creative and innovative? To experiment? How are these things encouraged?
- Is my organization committed to continuous improvement? How do I know?
- How capable are we for: self-governance, self-discipline, self-evaluation, self-correction, and self-improvement?
- What opportunities does my organization have to improve performance?
- Do members of my organization know

what they can expect of others in terms of information and support to do their jobs?

- Is ongoing training and development an integral part of my organization?
- Do we have the right balance of freedom and support in doing our work?
- Has the manager ensured that staff members have the resources needed to do their jobs? Has the manager nurtured a healthy work environment?
- Is my organization effective? Does our community value it? Do we achieve good results?
- Does my organization place a priority on developing its members' full potential?
- Does my organization use varied measures to assess its health and performance?

Knowledge Networks

- What percentage of people's intelligence and creativity does my organization actually use?
- Do we produce knowledge? Do we use information to create capabilities and competencies that did not exist before?
- Do we share and actively disseminate knowledge and information? Are knowledge and information available to everyone in the organization?
- Do we share knowledge and information with other agencies in our sector? How could we do this better?
- What capacities, assets, and strengths could we use more fully?
- Is our information technology adequate?
- Do we use information technology (e-mail, the Internet) effectively?
- Do we take time to think, to reflect?
- Do we take time to both discuss and have dialogue?
- Do we work in ways that support interconnectedness rather than separateness?
- What is our tacit and explicit knowledge? Where is each kind kept and by whom? How accessible is it? How can it be made more accessible?
- How do I find out things that I need to know?
- How am I an educator in my organization, using knowledge I have gained from my colleagues and clients to help my organization grow?
- Do we have any "communities of practice"?
- Where could we develop communities of practice in our organization? In the larger community?

Trust

- What words best describe the environment in my organization (e.g., turbulent, competitive, controlled, cooperative)?
- Whom and what can I trust in this organization?
- Do I feel secure?
- Am I “above board” in my behaviour?
- Does my leader or manager engender mutual trust and high morale among board and staff members?
- Does my leader or manager maintain high ethical standards throughout the organization and serve as a role model for staff and volunteers?
- Does my leader or manager exercise good judgment in decision-making?
- Are issues discussed?
- Is my organization transparent in dealing with financial information, progress on goals, issues, and concerns?
- Do I speak up for what I believe? Why or why not?
- How do I ensure that my views are considered?
- Can I express doubts and uncertainty without repercussions? Can I ask for help?
- How is support expressed?
- Do people find the workplace a supportive community that encourages learning?
- How would I approach a colleague whose personal style or problems threaten workplace relationships and/or productivity? Who else in the organization could I approach with my concerns?
- Are we free to experiment and be innovative? Are we clear about the extent to which we can “bend the rules”?
- How could we rebuild trust and commitment in areas where it has been diminished?

Shared Power

- When I consider my organization's structure, do I think of a hierarchy or some other structure?
- What differences in status exist among individuals or among groups? How are these differences expressed?
- What roles do men and women play in my organization? Does gender inequity exist?
- Are power differences recognized? How do people deal with these power differences? Are differences in who has high power and who has low power related to specific issues?
- What are my organization's prevailing assumptions about power? Do I share these assumptions?
- Do I have the authority to make routine decisions or must I consult with the leader, manager, or senior staff?
- Whose interests are considered in decision-making?
- Do people have decision-making authority appropriate to their responsibilities?
- Whom do people trust to make decisions on their behalf?
- Who decides who gets privileges? Is this a top-down process?
- What behaviour does my organization reward (compliance? caution? assertiveness? asking questions?)?
- How do people react when someone challenges authority?
- Who are my organization's opinion makers?
- Does my organization have an ethic of distributed power?
- Are there or should there be lesser rights and responsibilities for those who are only partial members of the organization?
- Are leaders and managers accountable? Do they listen to challenges from others in the organization?
- Do leaders and managers build others' leadership capabilities as part of their leadership role?
- Do the organization's policies and procedures emphasize decision-making, control, and direct action at the lowest possible level?

Leadership and Management

- Do I consider my executive director a "manager" or a "leader"? What do these words mean to me?
- Does my executive director see himself/herself as a manager or a leader? What do these words mean to her/him?
- Is my organization well managed and well led? How do I know this? What are my criteria for assessing this?
- How would I describe our organizational culture? What role does our leader/manager play in this culture?
- What words best describe the style of my organization's leader (e.g., participatory, decisive, reflective, principled, entrepreneurial)?
- Does our leader's style, competence, personality, and interests fit with the work needing to be done?
- Are people the most important resource in my organization?
- How many layers of management exist in our organization? Too many? Not enough?
- Has our manager developed and implemented an effective strategy for the organization's future development? Have other members of the organization been engaged and involved in this process? How?
- Has our leader/manager supported innovative programs to deal with client and community needs and followed through to ensure that these programs were well delivered?
- Has the manager built and nurtured effective relationships with all employees?
- Does the leader have the full support of board and staff members?
- Has the leader developed and secured commitment to a meaningful and effective organizational vision and mission?
- Has the leader communicated well with all stakeholders and been an effective spokesperson, advocate, and negotiator for the organization's interests?
- Does the leader respond promptly to changes in client and community needs? Does the leader work with others in the organization to anticipate needs and make changes?
- Does the leader foster effective collaboration, teamwork, and sense of community within the organization?
- Does the leader engender mutual trust and high morale among board and staff members?
- Does the leader have a succession plan?
- Who are the informal leaders in my organization? What makes them leaders?
- Are others in my organization ready to take on leadership roles?
- How does the leader encourage the development of other leaders in my organization?
- What is the quality of our broader community's leadership, both current and potential?
- How am I developing myself as a leader?

The Nonprofit and Voluntary Sector
Appendix B

The Nonprofit and Voluntary Sector

Much confusion exists about the "third sector." This sector is variously known as the nonprofit, not-for-profit, voluntary or charitable sector, or civil society. Third sector organizations are sometimes described as non-governmental organizations (NGOs) or community-based organizations (CBOs). In the United States, the sector often is called the social sector.

The sector operates throughout Canada and involves such diverse organizations as: family service agencies, sports clubs, hospitals, environmental groups, arts organizations, child care centers, shelters, housing associations, and religious congregations. Until recently, little solid information had been collected about the sector in Canada or elsewhere.

The 2003 National Survey of Nonprofit and Voluntary Organizations (NSNVO) provided the "first national portrait" of the sector in Canada. It identified approximately 161,000 nonprofit and voluntary organizations, half of which were registered charities (meaning that they are exempt from certain taxes and their donors receive tax credits). Some of the NSNVO's key findings were that:

- Nonprofit and voluntary organizations are vehicles for citizen engagement.
    - More than half operate entirely through volunteer contributions of time and money.
    - They utilize 2 billion volunteer hours, the equivalent of 1 million full-time jobs.
    - Canadians hold 139 million memberships in nonprofit and voluntary organizations, an average of four per person.
- Nonprofit and voluntary organizations focus on community and provide public benefits.
- Their scope of activities is broad and their economic presence is substantial.
- Larger organizations receive most of the resources, depend more on government funding, and are growing.
- Funding and financial and human resources vary by area of activity.
- Resources appear inadequate and capacity problems may keep organizations from fulfilling their missions.[253]

253. Adapted from *Cornerstones of Community: Highlights from the National Survey of Nonprofit and Voluntary Organizations* (Ottawa: Statistics Canada, 2004), pp. 1-4. Statistics Canada information is used with the permission of Statistics Canada. Users are forbidden to copy this material and/or redisseminate the data, in an original or modified form, for commercial purposes, without the expressed permission of Statistics Canada. Information on the availability of the wide range of data from Statistics Canada can be obtained from Statistics Canada's Regional Offices, its World WIde Web site at http://www. statcan.ca and its toll-free access number 1-800-263-1136.

In recent years, more Canadian initiatives have emerged to develop and expand understanding of the nonprofit and voluntary sector. These have included: the 2000 *National Survey of Giving, Volunteering, and Participating* (NSGVP); the *Satellite Account of Nonprofit Institutions and Volunteering*; and the work of Imagine Canada (formerly the Canadian Centre for Philanthropy and the Coalition of National Voluntary Organizations) in collaboration with the Johns Hopkins Comparative Nonprofit Sector Project. Their findings, along with information on 36 other countries, are presented in the 2005 report *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective*. This document reveals "the first empirical overview of the Canadian nonprofit and voluntary sector and the first systematic comparison of the Canadian nonprofit and voluntary sector with similar sectors elsewhere in the world."[254] The following comes from that report.

Defining the Sector

Nonprofit and voluntary sector entities share five features:

- They are organized (i.e., they have structure and regularity to their operations whether formally constituted or legally registered or not).
- They are private (i.e., they are institutionally separate from government even though they may receive government support).
- They distribute no profits (i.e., they are not primarily commercial nor do they distribute profits to directors, stockholders, or managers). "Profits" are reinvested in achieving organizational objectives.
- They are self-governing.
- They are voluntary (i.e., membership or participation is neither compulsory nor coerced).[255]

Classifying Nonprofit and Voluntary Sector Organizations

Building on the International Standard Industrial Classification used in most international economic statistics, the Johns Hopkins researchers developed an International Classification of Nonprofit Organizations. This classification provides 12 general categories of organizational activity and is further divided into subcategories. The classification system has assisted with illustrating the composition of Canada's nonprofit and voluntary sector as well as with comparing our sector to others in the world. The classification system follows:

254. Hall, *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective*, foreword.

255. Ibid., pp. 2-3.

- culture and recreation
- education and research
- health
- social services
- environment
- development and housing
- civic and advocacy
- philanthropic intermediaries
- international
- religious congregations
- business and professional, unions
- not elsewhere classified.[256]

In summary, these features "define a civil society sector that is quite broad, encompassing informal as well as formal organizations, religious as well as secular organizations, organizations with paid staff and those staffed entirely by volunteers, and organizations performing essentially expressive functions—such as advocacy, cultural expression, community organizing, environmental protection, promotion of human rights, religious expression, representation of interests, and political expression—as well as those performing essentially service functions—such as the provision of health, education or welfare services."[257]

Canada's Nonprofit and Voluntary Sector

The principal findings of the Johns Hopkins research describe a Canadian sector that is unique, robust, and reflective of Canadian values and priorities.

The sector is a significant economic force, a major contributor to economic activity, and a significant employer (as significant as the country's entire manufacturing sector). Including hospitals, universities, and colleges, it added $75. 9 billion (8. 5 per cent of the GDP) to the national economy. Excluding hospitals, universities, and colleges, it adds $34. 7 billion (four per cent of the GDP) to the economy (1997-1999 figures).

It boasts 2,073,032 full-time equivalent workforce (1,541,345 full-time equivalent if hospitals, universities, and colleges are excluded).

256. Ibid., p. 5.

257. Ibid., p. 3.

Canada has the second largest nonprofit and voluntary sector in the world—markedly above the international average and larger than its counterpart in the United States. Excluding religious worship organizations, the civil society workforce (paid and volunteer), averages 11.1 per cent of the economically active population—only the Netherlands, at 14.4 per cent, is larger. The average of the 37 countries in the Johns Hopkins research is 4.5 per cent. The United States nonprofit workforce accounts for 9.8 per cent of the economically active population.

Canada's nonprofit sector has fewer volunteers than in most other countries. Only 25 per cent of the full-time equivalent workforce of Canada's sector is voluntary, compared to a 38 per cent average in the 37 countries and an identical average when only the developed countries are considered.

Service organizations have a strong presence in Canada's nonprofit sector. Nonprofit and voluntary organizations perform multiple functions, including service provision, advocacy, expression, and community building. The functions have been divided into two broad categories for the Johns Hopkins research: service functions and expressive functions.

Service activities dominate in Canada. About 74 per cent of all Canadian nonprofit and voluntary sector workers, paid and volunteer, are engaged in service activities, compared to an international average of 64 per cent. Excluding hospitals, universities, and colleges does not change the dominance of service activities. In the remaining part of the nonprofit voluntary sector, 64 per cent are still engaged in service activities.

Health and housing are more prominent in Canada than elsewhere. Nonprofit and voluntary health care organizations account for 31 per cent of the nonprofit and voluntary workforce compared to 14 per cent average world-wide. (The researchers suggest that this probably reflects our highly developed public health care system, which relies heavily on nonprofit health organizations to deliver publicly financed services.)

A somewhat smaller share of Canadian nonprofit and voluntary organizations engages in expressive activities (i.e., activities that provide avenues for expression of cultural, spiritual, professional, or policy values, interests and beliefs such as cultural institutions, recreation groups, professional associations, advocacy groups, community organizations, environmental organizations, human rights groups, and social movements). The Canadian average of 22 per cent is lower than the developed country and international averages of 31 and 32 per cent respectively. Volunteers are proportionally twice as likely to be engaged in expressive functions as paid staff.

Over half (51 per cent) of nonprofit sector revenues come from government payments. Most often the money comes from provincial governments that are constitutionally responsible for health, education, and most social services. Fees, service charges, and investment income provide 39 per cent of revenue. Nine per cent comes from private philanthropy. Excluding hospitals, universities, and colleges changes the revenue structure to 39 per cent government, 48 per cent fees, and 12 per cent philanthropy. Canada's revenue pattern is similar to other developed countries rather than the general international pattern.

Revenue structure varies among "fields." With the highly developed Canadian welfare state, government plays a prominent role in the funding of nonprofit and voluntary organizations (i.e., 80 per cent in the health field, 66 per cent in social services, and 52 per cent in education). In the remaining nonprofit and voluntary organizations, fee income is dominant (for example, 91 per cent for professional associations and unions; 63 per cent for culture and recreation organizations; and 54 per cent for development and housing organizations).

Volunteers significantly change the revenue structure. When the value of volunteer input is treated as part of philanthropy, the philanthropy share jumps from 9 to 20 per cent (which remains lower than the developed country average of 28 per cent).[258]

258. Hall, The Canadian Nonprofit and Voluntary Sector in Comparative Perspective, pp. 2-19.

Core Competencies for Leaders

Appendix C

Core Competencies for Leaders

In the fall of 2002, the voluntary sector's National Learning Initiative conducted workshops to gather information from sector leaders about the skills and knowledge they use. The results of this project are available in a brochure and a report called *What Do Voluntary Sector Leaders Do?*

Core competencies are defined as "the knowledge, skills, abilities, mindsets and behaviors that lead to improving life in the community and the world through principled actions and professional behavior in the voluntary sector. Competencies that are common across the voluntary sector, irrespective of regional or sub-sectoral differences, are understood as core competencies."[259]

Competencies are clustered into the following four categories:

- **aspirations and alignment competencies**
  - Take effective and innovative action in the interest of society and work toward policies that positively influence the public.
  - Develop and win widespread commitment to the organization's vision.
  - Provide organizational leadership in dealing with ethical issues.
  - Deal effectively with issues larger than the organization itself.
  - Work well with external partners.
  - Nurture a work and organizational environment where learning, in its diverse forms, is ongoing and constant.
- **strategies and resource management competencies**
  - Maximize the use of various fundraising approaches and public relations and marketing programs.
  - Use funds and resources wisely.
  - Create an organizational environment where individuals creatively and innovatively carry out their responsibilities and respond to challenges.
  - Use information technology and research effectively to achieve goals and mission.
  - Provide leadership in developing plans and evaluating program effectiveness, ensuring widespread involvement from the organization and beyond.

259. *What Do Voluntary Sector Leaders Do?* Brochure. (Ottawa: National Learning Initiative, 2002), p. 2.

- **relationship competencies**
  - Develop effective interpersonal relationships.
  - Maximize human resources potential (staff, volunteers, and board members).
  - Nurture an environment where teamwork thrives.
  - Demonstrate wisdom and care in relationships, using a keen awareness of political implications.
  - Represent the organization effectively as a public persona.
  - Build and maintain effective links between individuals, the organization, and the community.
  - Communicate well orally and in writing.
  - Optimize the use of communication technologies.
  - Build a stronger organization and community by utilizing diverse talents, cultures, and assets.
  - Approach local issues creatively while maintaining a global perspective.
- **complexity competencies**
  - Respond and be accountable to multiple individuals, organizations, and partners.
  - Understand the increasing interdependence of organizations and individuals in the community, the nation, and the world.
  - Assess how economic and political systems relate to the organization and its mission.
  - Translate theories and knowledge into effective action that helps lead the organization.
  - Nurture a healthy organizational and work environment that values innovation, creativity, and adaptability.
  - Demonstrate the ability to cooperate and compete, according to what is appropriate at the time.[260]

260. Ibid., pp. 5-8.

Bibliography

Bibliography

Aldridge, Stephen, David Halpern and Sarah Fitzpatrick." Social Capital: A Discussion Paper." London: Cabinet Office, Performance and Innovation Unit, 2002.
http://www. number-10. gov. uk/su/social per cent20capital/socialcapital. pdf.

Avery, Christopher. *Teamwork is an Individual Skill: Getting Your Work Done When Sharing Responsibility.* San Francisco: Berrett-Koehler Publishers, 2001.

Beatty, Jack. *The World According to Peter Drucker*. New York: The Free Press, 1998.

Bender, Peter Urs. *Leadership from Within*. Toronto: Stoddart Publishing, 2001.

Bennis, Warren. *On Becoming a Leader*. Cambridge: Perseus Books, 2003.

Bentley, Timothy and Esther Kohn-Bentley. *Leadership Coaching for the Workplace*.Toronto/Vancouver: Irwin Publishing Ltd., 2002.

Blank, Warren. *The 108 Skills of Natural Born Leaders*. New York: AMACOM, a Division of the American Management Association, 2001.

Block, Peter. *Stewardship: Choosing Service over Self-Interest*. San Francisco: Berrett-Koehler Publishers, 1993.

Block, Peter. *Flawless Consulting: A Guide to Getting Your Expertise Used*. 2nd ed. San Francisco: Jossey-Bass Pfeiffer, 2000.

Brisebois, Richard. *How Canada Stacks Up: The Quality of Work—An International Perspective.* CPRN Research Paper W|23. Ottawa: Canadian Policy Research Networks, 2003.
http://www. cprn. org/en/doc. cfm?doc=498.

Brown, John Seely. "Sustaining the Ecology of Knowledge." *Leader to Leader* 12 Spring 1999): pp. 31-36.
http://www. leadertoleader. org/leaderbooks/L2L/spring99/brown. html (accessed November 9, 2004).

Bryant, Cindy-Ann and Doug Norris. *Measurement of Social Capital: The Canadian Experience.* Ottawa: Statistics Canada (country report for the OECD-UK ONS International Conference on Social Capital Measurement in London, September 25-27), 2002.
http://www. oecd. org/dataoecd/21/48/2381103. pdf.

Buckingham, Marcus and Curt Coffman. *First, Break all the Rules: What the World's Greatest Managers Do Differently.* New York: Simon and Schuster, 1999.

Campbell, Anne E. *The Garden Patch: An Organic Approach to Planning for the Voluntary Sector.* Edmonton: The Muttart Foundation, 2003.

Canada. Statistics Canada. *Cornerstones of Community: Highlights from the National Survey of Nonprofit and Voluntary Organizations.* September, 2004. http://vsi-isbc. ca/eng/knowledge/pdf/nsnvo_report. pdf (accessed March 2, 2005).

Canada. Statistics Canada. *Satellite Account of Nonprofit Institutions and Volunteering*.Ottawa: Minister of Industry, 2004.

Canada. Voluntary Sector Initiative. *An Accord Between the Government of Canada and the Voluntary Sector*. Ottawa, 2001.

Canada. Voluntary Sector Initiative. *Building Relationships: Using Good Practices as a Catalyst.* Joint Accord Table Focus Groups on the Draft Codes of Good Practice. Ottawa, 2002. http://www. vsi-isbc. ca/eng/relationship/pdf/building_relationships. pdf (accessed February 13, 2005).

Canada. Voluntary Sector Initiative. *National Learning Initiative Brochure.* Ottawa, undated. http://www. vsi-isbc. ca/eng/hr/pdf/nli_brochure. pdf (accessed February, 13, 2005).

Canada. Voluntary Sector Initiative: National Learning Initiative. *Leadership in the Voluntary Sector: Human Resources Tools.* Ottawa, undated. http://www. vsi-isbc. ca/eng/hr/pdf/hr_tools. pdf (accessed February 13, 2005).

Canada. Voluntary Sector Initiative: National Learning Initiative. *Voluntary Sector Leadership Competencies: Examples, Current Challenges, Complexities and Learning Outcomes.* Discussion document. Revised. Ottawa, 2003. http://www. hrvs-rhsbc. ca/initiatives/NLI_Discussion_Doc_FINAL11-4-03. doc (accessed February 13, 2005).

Canada. Voluntary Sector Initiative: National Learning Initiative. *What Do Voluntary Sector Leaders Do?* A report on a joint project of the Coalition of Nonprofit and Voluntary Organizations and the Association of Canadian Community Colleges. Ottawa, 2003. http://www. hrvs-rhsbc. ca/initiatives/NLIReport_e. pdf 11-4-03. doc (accessed February 13, 2005).

Canada's Charitable and Nonprofit Sector through a Global Lens. Proceedings of the Imagine Canada—Johns Hopkins University International Symposium, Toronto, March 22-23, 2005.

Capra, Fritjof. *The Web of Life: A New Scientific Understanding of Living Systems*. New York: Anchor Books Doubleday, 1996.

Cohen, Don and Laurence Prusak. *In Good Company: How Social Capital Makes Organizations Work*. Boston: Harvard Business School Press, 2001.

Coleman, James S. *Foundations of Social Theory*. Cambridge, MA.: The Belknap Press of Harvard University Press, 1990.

Coleman, James S. "Social Capital in the Creation of Human Capital." *American Journal of Sociology* 94, Supplement: Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure (1988), pp. S95-S120.

Courchene, Thomas J. *Embedding Globalization: A Human Capital Perspective.*Montreal: IRPP, 2002.
http://www. irpp. org/pm/archive/pmvol3no4. pdf.

Daniels, David and Virginia Price. *The Essential Enneagram: The Definitive Personality Test and Self-Discovery Guide.* San Francisco: HarperCollins, 2000.

de Geus, Arie. *The Living Company: Habits for Survival in a Turbulent Business Environment*. Boston: Harvard Business School Press, 2002.

de Soto, Hernando. *The Mystery of Capital: Why Capitalism Triumphs in the West And Fails Everywhere Else.* New York: Basic Books, 2000.

Dow, Warren. *Backgrounder on Trends in the Changing Workforce and Workplace.*Voluntary Sector Initiative, 2001.
http://www. vis-isbc. ca/eng/hr/doc/rod_sept26_trends. pdf
(accessed February 13, 2005).

Dow, Warren. *Backgrounder on Literature on (Paid)Human Resources in the Canadian Voluntary Sector.* Voluntary Sector Initiative, 2001.
http://www. vsi-isbc. ca/eng/hr/doc/rod_sept26_lit_review. pdf
(accessed February 13, 2005).

Drucker, Peter F. *The Essential Drucker: The Best of Sixty Years of Peter Drucker's Essential Writings on Management*. New York: HarperCollins, 2001.

Duxbury, Linda and Chris Higgins. *Work-Life Balance in the New Millennium: Where are We? Where Do We Need to Go?* CPRN Discussion Paper W|12. Ottawa: Canadian Policy Research Networks, 2001. http://www. cprn. org/en/doc. cfrn?doc=52.

Flora, Cornelia. *Building Social Capital: The Importance of Entrepreneurial Social Infrastructure.* http://www. ag. iastate. edu/centers/rdev/newsletter/june97/build-soc-capital. html (accessed July 26, 2005).

Fostering Peace in Individuals, Families and Communities … Imagine! Proceedings of the Family Service Canada National Conference, Sydney, Nova Scotia, October 21-23, 2004.

Goldberg, Michael J. *The Nine Ways of Working: How to Use the Enneagram to Discover Your Natural Strengths and Work More Effectively.* New York: Marlowe & Company, 1999.

Goldenberg, Mark. *Social Innovation in Canada: How the Non-profit Sector Serves Canadians … and how it can Serve Them Better.* CPRN Research Report W|25. Ottawa: Canadian Policy Research Networks, 2004. http://www. cprn. org/en/doc. cfrn?doc=1126.

Gould, Stephen Jay. "The Spice of Life." *Leader to Leader* 15 (Winter 2000): 14-19.
http:/www. leadertoleader. org/leaderbooks/L2L/winter2000/gould. html (accessed January 3, 2005).

Govier, Trudy. *Social Trust and Human Communities*. Montreal and Kingston: McGill-Queen's University Press, 1997.

Granovetter, Mark S. "The Strength of Weak Ties." *American Journal of Sociology* 78, 6 (1983), pp. 1360-1380.

Gunderson, Morley. *Rethinking Productivity from a Workplace Perspective*. CPRN Discussion Paper No|17. Ottawa: Canadian Policy Research Networks, 2002. http://www. cprn. org/en/doc. cfrn?doc=58.

Hall, Michael H., et al. *The Canadian Nonprofit and Voluntary Sector in Comparative Perspective.* Toronto: Imagine Canada, 2005.

Helliwell, John F. *Globalization and Well-Being.* Vancouver, B. C.: UBC Press, 2002.

Hesselbein, Frances. "When the Roll is Called in 2010." *Leader to Leader* 20 (Spring 2001): 4-6.
http://www. leadertoleader. org/Leaderbooks/L2L/spring2001/fh. html (accessed January 3, 2005).

Hesselbein, Frances. "The Leaders We Need." *Leader to Leader* 35 (Winter 2005). http://www. leadertoleader. org/leaderbooks/121/winter2005/fh. html (accessed February 20, 2005).

Hollender, Jeffrey and Stephen Fenichell. *What Matters Most: How a Small Group of Pioneers is Teaching Social Responsibility to Big Business and Why Big Business is Listening.* New York: Basic Books, 2004.

Hunter, Dale, Anne Bailey, and Bill Taylor. *The Zen of Groups: A Handbook for People Meeting with a Purpose.* Tucson: Fisher Books, 1995.

INPUT 2003. Proceedings of the 15th Biennial Symposium on Employee and Family Assistance Programs in the Workplace, Ottawa, November 16-18, 2003.

Investing in Canada's Social Capital: Family by Family. Proceedings of the Family Service Canada National Conference, Ottawa, October 23-25, 2003.

Jaffe, Dennis T., Cynthia D. Scott and Glenn R. Tobe. *Rekindling Commitment: How to Revitalize Yourself, Your Work and Your Organization.* San Francisco: Jossey-Bass, 1994.

Jaworski, Joseph. "Leadership: Six Essential Elements." *Perspectives on Business And Global Change* 13, 1 (1999). http://www. generonconsulting. com (accessed February 5, 2005).

Jaworski, Joseph, Adam Kahane, and C. Otto Scharmer. *The Presence Workbook Version 1. 0*. Cambridge: The Society for Organizational Learning, 2004.

Kahane, Adam. *Solving Tough Problems: An Open Way of Talking, Listening and Creating New Realities.* San Francisco: Berrett-Koehler Publishers, 2004.

Kleiner, Art. "Four Futures for Organizing and Leading in the New Economy." *Reflections* 3, 1. http://www. generonconsulting. com (accessed February 5, 2005).

Kleiner, Art. "Karen Stephenson's Quantum Theory of Trust." *Fieldnotes: A Newsletter of the Shambhala Institute* 8 (January 2005). http://shambhalainstitute. org/Fieldnotes/Issue8/index. html (accessed January 14, 2005).

Kotter, John P. *John P. Kotter on What Leaders Really Do.* A Harvard Business Review Book, 1999.

Kouzes, James M. and Barry Z. Posner. *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations*. San Francisco: Jossey-Bass, 1995.

Kouzes, James M. and Barry Z. Posner. *Encouraging the Heart: A Leader's Guide to Rewarding and Recognizing Others.* San Francisco: Jossey-Bass, 1999.

Kretzmann, John and John McKnight. *Building Communities from the Inside Out.* Chicago: ACTA Publications, 1993.

Kretzmann, John and John McKnight. *Leading by Stepping Back: A Guide for City Officials on Building Neighborhood Capacity.* Chicago: ACTA Publications, 1999.

Laforest, Rachel and Susan Phillips. *The Voluntary Sector: A Productive Force in the New Economy.* A discussion paper prepared for Industry Canada. Ottawa: Carleton University, Centre for Voluntary Sector Research and Development, May, 2003.
http://www. vsi-isbc. ca/eng/imit/pdf/vsr_finalreport. pdf.

Lapid-Bogda, Ginger. *Bringing out the Best in Yourself at Work: How to Use the Enneagram System for Success.* New York: McGraw-Hill, 2004.

Light, Paul C. *Pathways to Nonprofit Excellence*. Washington: Brookings Institution Press, 2002.

Lowe, Graham S. *The Quality of Work: A People-Centred Agenda.* Don Mills, Ont.: The Oxford University Press, 2000.

Lowe, Graham S. *High Quality Work Environments as the Key to Attracting, Retaining and Developing Top Talent.* Keynote address to the Recruiting in the Public Sector conference, Ottawa, 24 October 2001.
http://www. cprn. org/en/doc. cfm?doc=214.

Lowe, Graham S. *Healthy Workplace Strategies: Creating Change and Achieving Results.* Prepared for the Workplace Health Strategies Bureau, Health Canada by The Graham Lowe Group Inc., January 2004.
http://www. cprn. org/en/documents/26838_en. pdf.

Lowe, Graham S. and Grant Schellenberg. *What's A Good Job? The Importance of Employment Relationships*. CPRN Study No. W|05|. Ottawa: Canadian Policy Research Networks, 2001. http://www. cprn. org/en/doc. cfrn?doc=50.

Mailloux, Louise, Heather Horak, and Colette Godin. *Motivation at the Margins: Gender Issues in the Canadian Voluntary Sector.* Voluntary Sector Initiative. http://www. vsi-isbc. ca/eng/knowledge/pdf/reports_motivation. pdf (accessed February 13, 2005).

Malone, Thomas W. *The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life.* Boston: Harvard Business School Press, 2004.

Manville, Brook and Josiah Ober. *A Company of Citizens: What the World's First Democracy Teaches Leaders About Creating Great Organizations.* Boston: Harvard Business School Press, 2003.

Mathie, Alison and Gord Cunningham. "From Clients to Citizens: Asset-Based Community Development as a Strategy for Community-Driven Development." The Coady International Institute, St. Francis Xavier University, Occasional Papers. http://www. stfx. ca/institutes/coady/text/about_publications_occasional_citizens. html (accessed January 6, 2005).

McMullen, Kathryn and Grant Schellenberg. *Mapping the Non-profit Sector.* CPRN Research Series on Human Resources in the Non-profit Sector No|1. Ottawa: Canadian Policy Research Networks, 2002. http://www. cprn. org/en/doc. cfrn?doc=60.

McMullen, Kathryn and Grant Schellenberg. *Job Quality in Non-profit Organizations.* CPRN Research Series on Human Resources in the Non-profit Sector No|2. Ottawa: Canadian Policy Research Networks, 2003a. http://www. cprn. org/en/doc. cfrn?doc=63.

McMullen, Kathryn and Grant Schellenberg. *Skills and Training in the Non-profit Sector.* CPRN Research Series on Human Resources in the Non-profit Sector No|3. Ottawa: Canadian Policy Research Networks, 2003b. http://www. cprn. org/en/doc. cfrn?doc=78.

McMullen, Kathryn and Richard Brisebois. *Coping With Change: Human Resource Management in Canada's Non-Profit Sector.* CPRN Research Series on Human Resources in the Non-profit Sector No|4. Ottawa: Canadian Policy Research Networks, 2003. http://www. cprn. org/en/doc. cfrn?doc=492.

Nair, Keshavan. *A Higher Standard of Leadership: Lessons from the Life of Gandhi*. San Francisco: Berrett-Koehler Publishers, 1994.

Nanus, Burt and Stephen M. Dobbs. *Leaders Who Make a Difference: Essential Strategies for Meeting the Nonprofit Challenge.* San Francisco: Jossey-Bass Publishers, 1999.

Paine, Lynn Sharp. *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance.* New York: McGraw-Hill, 2003.

Palmer, Helen. *The Enneagram in Love and Work: Understanding Your Intimate and Business Relationships.* San Francisco: HarperCollins, 1995.

Pattakos, Alex N. "Realize Your Will to Meaning." *Fieldnotes: A Newsletter of the Shambhala Institute* 8 (January 2005). http://www. shambhalainstitute. org/Fieldnotes/Issue8/index. html (accessed January 14, 2005).

Personal Leadership for a Complex World. Proceedings of a workshop hosted by the Shambhala Institute, Halifax, November 22-24, 2004.

Polanyi, Michael. *Healthy Organizational Practices: A Synthesis of Emerging Work-Health Research.* Saskatchewan Population Health Evaluation and Research Unit, University of Regina, March 2, 2004. http://www. spheru. ca/PDF%20Files/Healthy&20Organizational%20 Pracitces.pdf.

Pollard, C. William. "Mission as an Organizing Principle." *Leader to Leader*16 Spring 2000: pp. 17-21. http://leadertoleader. org/leaderbooks/l2l/spring2000/pollard. html (accessed November 9, 2004).

Portes, Alejandro. "Social Capital: Its Origins and Applications in Modern Sociology." *Annual Reviews of Sociology* 24 (1998): pp. 1-24.

Putnam, Robert D. *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster, 2000.

Putnam, Robert D. and Lewis M. Feldstein with Don Cohen. *Better Together: Restoring The American Community.* New York: Simon and Schuster, 2003.

Quinn, Robert E. *Change the World: How Ordinary People Can Accomplish Extraordinary Results.* San Francisco: Jossey-Bass, 2000.

Rath, Tom and Donald O. Clifton. *How Full is Your Bucket? Positive Strategies for Work and Life.* New York: Gallup Press, 2004.

Riso, Don Richard. *Discovering Your Personality Type: The Enneagram Questionnaire.* New York: Houghton Mifflin Company, 1992.

Roberts, Linda. *Caught in the Middle: What Small, Non-Profit Organizations Need To Survive and Flourish.* Voluntary Sector Initiative. December, 2001. http://vsi-isbc. ca/eng/knowledge/pdf/reports_caught. pdf (accessed February 13, 2005).

Ross, Bernard and Clare Segal. *Breakthrough Thinking for Nonprofit Organizations*. San Francisco: Jossey-Bass, 2002.

Sagawa, Shirley and Eli Segal. *Common Interest, Common Good: Creating Value Through Business and Social Sector Partnerships.* Boston: Harvard Business School Press, 2000.

Saunders, Ron. *Passion and Commitment Under Stress: Human Resource Issues in Canada's Non-profit Sector—A Synthesis Report.* CPRN Research Series on Human Resources in the Non-profit Sector No|5. Ottawa: Canadian Policy Research Networks, 2004. http://www. cprn. org/en/doc. cfrn?doc=504.

Saunders, Ron. "What all Board Members of Non-profits Need to Know." *Canadian Policy Research Networks Inc.* 4 (January 2004): pp. 1-8. http://www. cprn. org/en/doc. cfm?doc=521.

Scearce, Diana, Katherine Fulton, and the Global Business Network. *What If? The Art of Scenario Thinking for Nonprofits.* Emeryville, CA: Global Business Network, 2004. http://www. whatif@gbn. com.

Scott, Susan. *Fierce Conversations: Achieving Success at Work and In Life, One Conversation at a Time.* New York: Berkley Books, 2002.

Seabright, Paul. *The Company of Strangers: A Natural History of Economic Life.*Princeton: Princeton University Press, 2004.

Seel, Keith and Anita Angelini. *Strengthening the Capacity of Executive Directors.* National Learning Initiative for the Voluntary Sector. June, 2004. http://www. vsi-isbc. ca/eng/hr/pdf/strengthening_executive_capacity. pdf (accessed February 13, 2005).

Senge, Peter M. *The Fifth Discipline: The Art and Practice of the Learning Organization*. New York: Currency Doubleday, 1990.

Senge, Peter M., et al. *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization*. New York: Currency Doubleday, 1994.

Senge, Peter M. "The Practice of Innovation." *Leader to Leader* 9 (Summer 1998): pp. 16-22. http://www. leadertoleader. org/leaderbooks/L2L/summer98/senge. html (accessed January 3, 2005).

Senge, Peter, et al. *The Dance of Change: The Challenges of Sustaining Momentum in Learning Organizations.* New York: Currency Doubleday, 1999.

Senge, Peter and Otto Scharmer. "Community Action Research". In Peter Reason And Hilary Bradbury, eds. *Handbook of Action Research*. Thousand Oaks, CA: Sage Publications, 2001. http://www. ottoscharmer. com/downloads2. html (accessed January 3, 2005).

Senge, Peter, et al. *Presence: Human Purpose and the Field of the Future*. Cambridge: The Society for Organizational Learning, 2004.

Sennett, Richard. *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism.* New York: W. W. Norton and Company, 1998.

Sennett, Richard. *Respect in a World of Inequality*. New York: W. W. Norton and Company, 2003.

Spears, Larry C., ed. *Reflections on Leadership: How Robert Greenleaf's Theory of Servant Leadership Influenced Today's Top Management Thinkers.* New York: John Wiley and Sons Inc., 1995.

Spears, Larry C. "Practicing Servant-Leadership." *Leader to Leader* 34 (Fall 2004): pp. 7-11. http://www. leadertoleader. org/leaderbooks/121/fall2004/spears. html (accessed January 3, 2005).

Stein, Janice Gross. *The Cult of Efficiency*. Toronto: Anansi Press, 2001.

Stevens, Jose. *The Power Path: The Shaman's Way to Success in Business and Life.* Novato, Ca. : New World Library, 2002.

Svendsen, Gunnar, Lind Haase, and Gert Tinggaard Svendsen. *The Creation and Destruction of Social Capital: Entrepreneurship, Co-operative Movements And Institutions.* Northampton, MA: Edward Elgar Publishing, 2004.

Szpakowski, Susan. "Shifting the Currents: An Interview with Brian Bacon." *Fieldnotes: A Newsletter of the Shambhala Institute* 7 (November 2004). http://www. shambhalainstitute. org/Fieldnotes/Issue7/index. html (accessed November 17, 2005).

Ury, William. *Getting to Peace: Transforming Conflict at Home, at Work and in the World.* New York: Viking, 1999.

Wenger, Etienne, Richard McDermott and William M. Snyder. *Cultivating Communities of Practice: A Guide to Managing Knowledge.* Boston: Harvard Business School Press, 2002.

Wheatley, Margaret J. "Bringing Life to Organizational Change." *Journal for Strategic Performance Management* (April/May 1998). http://www. margaretwheatley. com/articles/life. html (accessed January 3, 2005).

Wheatley, Margaret J. "Servant-Leadership and Community Leadership in the 21st Century." Keynote address, The Robert K. Greenleaf Center for Servant Leadership annual conference, June 1999. http://www. margaretwheatley. com/articles/servantleader. html (accessed January 3, 2005).

Wheatley, Margaret J. "Innovation Means Relying on Everyone's Creativity." *Leader to Leader* 20 (Spring 2001): pp. 4-20. http://www. leadertoleader. org/leaderbooks/L2L/spring2001/wheatley. html (accessed January 3, 2005).

Wheatley, Margaret J. *Finding Our Way: Leadership for an Uncertain Time*. San Francisco: Berrett-Koehler Publishers, 2005.

Wheatley, Margaret and Myron Kellner-Rogers. "The Promise and Paradox of Community." In *The Community of the Future.* Jossey-Bass, 1998. http://www. margaretwheatley. com/articles/paradox. htmll (accessed January 3, 2005).

Williams, Patrick and Deborah C. Davis. *Therapist as Life Coach: Transforming Your Practice.* New York: W. W. Norton and Company, 2002.

Yerema, Richard W. *Canada's Top 100 Employers* (2005 edition). Toronto: MediaCorp Canada, 2005.

Useful Websites

Imagine Canada . . . . . www. imaginecanada. ca
(formerly the Canadian Centre for Philanthropy and the Coalition of National Voluntary Organizations) . . . . . www. nonprofitscan. ca

Voluntary Sector Forum . . . . . www. voluntary-sector. ca

Voluntary Sector Initiative . . . . . www. vsi-isbc. ca

Developing Human Resources in the Voluntary Sector (VSI) . . . . . www. hrvs-rhsbc. ca

National Learning Initiative for the Voluntary Sector (VSI) . . . . . www. nvo-onb. ca

Canadian Policy Research Networks . . . . . www. cprn. org

Canadian Council on Social Development . . . . . www. CCSD. ca

Axiom News . . . . . www. axiomnews. ca

Charity Village . . . . . www. charityvillage. ca

Shambhala Institute . . . . . www. shambhalainstitute. org

Leader to Leader Institute (formerly the Drucker Foundation) . . . . . www. leadertoleader. org

Society for Organizational Learning . . . . . www. solonline. org

Global Leadership Initiative . . . . . www. globalleadershipinitiative. org

Margaret Wheatley . . . . . www. margaretwheatley. com
. . . . . www. berkana. org

Otto Scharmer . . . . . www. ottoscharmer. com

Generon Consulting . . . . . www. generonconsulting. com

Dialogue on Leadership . . . . . www. dialogonleadership. org

Work and Family Balance . . . . . www. workandfamilybalance. com

World Café . . . . . www. theworldcafe. com

The Muttart Fellowships

Terri Woods

2004 Muttart Fellow

The eldest of five children, Terri grew up in Regina in a family that valued volunteerism and community service. She was inspired by each of her parents as well as by her maternal grandmother, a French war bride who, well into her 80's, regularly delivered chocolate bars and kindness to her "boys", WWI veterans residing at a local hospital.

With a BA in sociology and a Bachelor of Social Work, Terri launched her social work career as a child protection worker in the mid-70's. Some of her most poignant memories are of the strong, courageous and resilient families she came to know during these years.

Terri completed a Master of Social Work at the University of Toronto in 1979 and subsequently worked in all the family service program areas at the Department of Social Services, the Unified Family Court and in children's mental health services. She taught the Social Work with Families class for the U of R Faculty of Social Work for eighteen years and was a long-time member of Saskatoon Family Therapy Institute.

Terri is especially grateful for the fifteen years she spent as the clinical director at Family Service Saskatoon. In an environment rich in social capital, Terri experienced the multiple rewards and challenges that work in the not-for-profit sector provides. Her diverse role included direct client service, clinical supervision and consultation, organizational leadership and management, community partnerships and social action work, and involvement in the national FSEAP network. She was the recipient of a Family Service Canada Leadership Award in 2004.

Terri is currently a program manager in Mental Health and Addiction Services in Saskatoon Health Region. She shares her life with Bryan, also a career social worker. They have two young adult children who are in the process of "launching".