



GREENHILL COMMUNITY CENTER (A)

Leslie was looking for a management position with a variety of responsibilities that would use what she had learned in obtaining her MBA. An executive director position fit these goals, involving work across all functional areas -- dealing with the community, a board of directors, government agencies, internal management, fundraising, budgets, and program management. Leslie felt that while she had never held a top management position, she had enough experience in each area to handle the job. Intending to stay two to three years, Leslie started work at Greenhill in March of 1991 with great enthusiasm. However, after just one year on the job, her enthusiasm had given way to frustration and anger.

Background

Greenhill was a multi-service community center in Coastal City, one of the poorest cities on the East Coast. Coastal City had recently experienced several waves of immigration of refugees from Southeast Asia. Greenhill's main purpose was to provide human service programs for learning, growth, and enrichment throughout life within an intergenerational setting. Services included day care, elder programs, music classes, and afterschool programs. The organization was founded in 1982 and was set up in an old schoolhouse. The Center had a budget of nearly \$700,000 with revenues coming from tuition, grants, fundraising, and rental income (see Exhibits 1 & 2 for recent financial statements).

The Music Director, Brian, was thirty-three, had a degree in music from The New England Conservatory, and about ten years of work experience. He had been working part-time at Connecticut College and part-time at Greenhill for the past five years. The Music School served 230 students through private instrument lessons as well as music and theater classes. The School also cooperated with other community organizations to create a dance program, an intergenerational concert series, and an arts camp.

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The Elder Program Director, Anne, had been at Greenhill for five years, working in her current position for the past year. She was forty-five and had worked as a legal secretary and then as a full-time homemaker before coming to Greenhill. The Elder Program had over 800 participants using the drop-in center, hot lunch program, fitness activities, and other classes and support groups. The program also provided home repair services.

The Afterschool Program Director, Elaine, was in her forties and had taught school for many years before starting at Greenhill seven years ago. The Afterschool Program offered programs five days a week, providing transportation from local schools to the Center. Activities included recreation, crafts, snack, and quiet time. Greenhill served between twenty and thirty children every day and offered an all day program during the summer.

The Day Care Program served eighty children, fifteen months to five years old in part-time nursery school programs, and seventy children, ages fifteen months to six years old in full day toddler, preschool, and kindergarten programs. Day Care was run by Denise, twenty-five, who had been at Greenhill for three years. This was her first administrative position and she was working on an associate's degree.

The new Executive Director, Leslie, was in her late twenties, a recent MBA graduate who had worked for four years as an administrator in another nonprofit, overseeing grants and supervising and training staff. The Executive Director supervised eight people directly (the four program directors just described and four support staff, see Exhibit 3). Most staff worked between twenty-five and thirty hours a week.

The previous Executive Director was one of Greenhill's founders, serving initially as the sole Program Director and then as Executive Director from 1985 through 1990. She had had particularly strong interests in the afterschool and day care programs, while not paying much attention to elder care. She was a personal friend of Elaine, the Afterschool Program Director. Leslie noted,

Here I was, this new person, ten years younger and about half the size of the previous Executive. She had a counseling style in dealing with people, and I was more direct and straightforward. Some staff preferred her style, others preferred mine. There was obviously going to be resistance to change.

I did not meet with the staff until the night that I was hired by the trustees. It happened quickly, too -- the board speeded up their process and I was so thrilled with being close to getting the job that I didn't want to rock the boat. I did meet staff that night but it was sort of a moot point. Later, I found out that they had not felt included at all in the hiring process. I don't blame them. I

wouldn't have either. There was a basic philosophical problem with the board not wanting the staff involved in the process.

I expected that there would be a transition time, and even though I had ideas of where I wanted to go, I thought that the first six months or so I would just pedal in place and then start to think about moving people into making changes. I think it would have been better to think of a time frame of about a year, given the resistance I have encountered.

The fact that Leslie had not met with staff before being hired was only one example of a long history of distance between the trustees and staff. According to Leslie, the trustees preferred to have things neatly packaged for them and to work only through the Executive Director in order to finish up their business quickly. Staff did work with the board on fundraising activities and on subcommittees, and there were times when staff were invited to trustee meetings to give presentations. After starting, Leslie discussed with staff the board's role in fund-raisers and how staff fundraising efforts fit in. However, this message did not seem to be clearly understood and continued to create a great deal of staff resentment. For example,

We had an auction which was supervised by a trustee. The staff person working on the auction was furious that the trustee would get all the credit and staff person would get nothing. I didn't want the trustee licking stamps. I wanted her to be organizing and managing, playing the role I would be playing if I had to do it alone. I can always hire another support staff person, but I can't always get another manager. I think there was real resentment on the part of staff that the trustees were so distant from them. They wanted to be "pals" with the trustees and to have a hands-on board. I did not want that and I don't think the trustees did either. An executive director is supposed to represent the views of the staff, and I should have been the only person that the board had to interact with.

I think the old Executive Director viewed the roles the same as I did, but I was more blunt about spelling them out, while she was more diplomatic, making staff feel they were involved. Three of the four Program Directors had trusted her to represent them at board meetings, but I don't think they felt I was representing them well. On one occasion, staff asked if I wanted them to attend board meetings for moral support. I graciously declined.

Trustees meetings were held the third Monday evening of every month. Less than half of the thirteen members were active, and of the six subcommittees (personnel, building, finance, nominations, community relations, and fundraising) only some were active. In particular, fundraising existed only on an ad hoc basis. The board saw its role as setting policy and overseeing the general organizational well-being. In regard to the Center's financial health, the board relied heavily on the Treasurer to take care of it.

Greenhill As an Organization in Transition When Leslie Was Hired

As she described,

The trustees were looking for someone professional who could take the organization to the next level, to take over for the former Executive Director, making it less of a family-run business and more of a business. The task of the previous Executive had been to fill the building with programs. But when I arrived, there were so many programs that the Center had run out of space.

The decision to hire Leslie was unanimous. The trustees had purposely decided to go for someone with a business school background rather than a clone of the former Executive who had come from social services.

First Issues

Communications

In an effort to increase staff cohesion and improve communications throughout the Center, Leslie established weekly staff meetings with the four Program Directors as well as individual meetings. Leslie also conducted business through memos, which she would then discuss with staff directly. She felt it was important to have a written record of communication between herself and these key staff.

Fundraising

While the trustees wanted to professionalize the organization, Leslie felt the trustees also needed professionalizing, particularly in the area of fundraising.

I viewed trustees as a resource for fundraising -- "give, get, or get off." I felt strongly about that. They were not a well-developed group in terms of fundraising ability. They preferred to do special events and hide behind them rather than recognizing that an annual giving program is a more effective way to raise money. I couldn't do it alone. They did perform crucial staff roles by providing information to me about insurance, city services, legal affairs, things we did not have in-house capacity to get and didn't want to pay for. So I recognize that there were some trustees with those skills, but the trustees should have a more effective role in fundraising. Instead, it was always the same few people doing all the work. That is common for boards, but not what I envision for a good board.

Under the previous Executive, Greenhill had diversified its funding sources with about 80% of revenues coming from fees for services and 20% from fundraising, but the average donation was

only \$23. The Center also received state and federal money, about \$75,000 for daycare slots, afterschool and music program scholarships, general support for the elder program, and some funds for operating expenses. Leslie quickly found out, however, that fundraising would be a major part of her job.

I did not realize when I came into the Center that fundraising efforts had not met half of the year's financial goals. I took a look at the budget and we had not raised much grant or fundraising money. While there were small events planned for end of the year, I still felt I needed to spend the majority of my time and energy to make sure that the budget was balanced and salaries were paid.

The first six months, I was totally stressed out because I felt that without new funds I would be doomed. I realized then that during my initial interviews I should have asked for a recent monthly statement instead of just looking at the previous year's financial statements.

Allegations of Sexual Abuse

Three months into her first year at Greenhill, Leslie was faced with a mother who accused a daycare worker of sexually abusing her three-year-old-daughter. Leslie had immediately called Denise, the Day Care Director, the board chairperson, and the appropriate state officials. She offered to be present when Denise met with the accused staff person, but Denise had refused.

The worker was suspended with pay while the state investigated the allegations. Leslie informed staff of what was happening and directed Denise to do the same with daycare staff. After two weeks, the investigation turned out to be inconclusive and the worker was reinstated. The child left the program.

In an effort to bring some resolution to the situation, Leslie hired two counselors to come in and talk with daycare staff about abuse cases and any fears they might have of being accused. In Leslie's opinion, Denise dominated the session and the workers did not really have a chance to openly discuss the issues.

Building and Maintenance

Another time-consuming problem that Leslie had not anticipated was daily repair and maintenance of the Center's building. Greenhill was housed in an old schoolhouse owned by the City of Bridgeport's school department.

I didn't realize how much time building and maintenance would consume. The school department didn't have any money, so in order for us to get repairs done, we had to pay for them ourselves or go to the City for money. Funding organizations and corporations would not give money to repair a building you

didn't own. I didn't want to deal with these types of problems but I had to every day.

Space Problems and the Music/Toddler Room

Intra-staff conflicts, which began before Leslie was hired, also confronted her during the first few months. Late in 1990, the trustees had decided to implement a new half-day toddler program that would require additional space. The former Executive, the Afterschool Director (Elaine), and the Daycare Director (Denise) decided that the elder program's room would be the most suitable for the new program. They informed Anne, the Elder Program Director, that the trustees had decided to go ahead with the toddler program, starting in May, and that she would have to share her room. After the meeting, Denise apparently had stood up, wagging her finger at Anne, and said, "You have to do this because the trustees said so." This idea was scrapped, however, when Anne discovered that the Center could not legally serve food and have diapers in the same room.

Next, the former Executive Director, Elaine, and Denise went to Brian, the Music School Director, and told him that he would have to share his room with the new toddler program. According to Leslie,

He was such a nice guy that he agreed. But by June, Brian was knocking on my door saying that things weren't working out. I didn't think he had given it a chance and that the music teachers felt their professionalism was being compromised by sharing space with a daycare program. I was in a difficult position. Brian didn't give me anything concrete and I was looking at the bottomline. The toddler program had started and we were relying on the income, so I said that the program would remain at least until the end of following fiscal year in August of 1992. I tried to see if there was a possible compromise but everyone was holding their ground.

Some staff felt that programmatic priorities were based largely on the ability to generate revenue, creating competition among programs for space and funds.

Diversity

Another area Leslie felt needed changing was the Center's lack of racial diversity, particularly in light of Coastal City's changing demographics.

When I interviewed for the job, I wanted to see how trustees felt about racial diversity. I was concerned about working in an organization where the town, staff, and trustees were predominantly white. I asked them a question about Asians in the area, and they told me that they had just decided to increase diversification by reaching out to the Asian community in town and appointing

an Asian board member. So, there had been some movement on their part but I don't know how committed they really were. Did they understand, for example, what trustee meetings would be like when there were refugees on the board?

We were also having trouble implementing our affirmative action plan. Most openings were for low paying teaching jobs that required English language skills.

Staff, on the other hand, were more committed to diversifying than most of the trustees. They were committed to extending services to Asians and other racial minorities. However, operationalizing it was another thing -- we would need staff that were capable of speaking with clients. It was going to be a slow process and how we would handle it would be different for each program.

I was also working with the chair of the board's nominating committee to develop criteria for selecting new trustees, but the board wouldn't use the guidelines. So, I tried to go through the back door to increase the board's racial diversity because I knew the board would okay anyone I suggested.

I also hired a group to do a training session with staff on multicultural issues. The quality of the training was very poor and many staff got defensive.

However, one staff member was particularly supportive of Leslie's push for diversity.

Brian and I have a lot of the same ideas politically. I supported his efforts to reach out to the growing Asian population in town and he supported my efforts to bring more diversity to the Center in general. He and I were the only two who wrote grants at Greenhill so we tended to talk a lot about program development.

The Planning Process

In an effort to bring staff together and to start moving Greenhill, Leslie had begun a Center-wide, long-range planning process in October. The trustees were only somewhat cooperative - they agreed to allot an extra hour to one regular board meeting to do planning. They would not agree to a day-long retreat.

The United Way had done a management assessment of the organization, but the trustees, in particular, Alfred and Scott, saw it as criticism. I told them that I didn't view it as criticism but rather as a tool for moving forward. But it was easier for them to stick with the status quo than to take a good look at themselves.

I pulled the United Way report out after some months and we were doing what had been suggested. But I still felt that I was forcing the board into this planning process.

A Crisis Begins to Brew

Leslie's Performance Review

When Leslie was hired, the trustees were unable to meet her salary requirements and instead agreed to a six-month, off-cycle review. Normally, the board had reviewed the Executive on her hiring anniversary and had always involved staff. When September arrived and nothing had been done, Leslie conducted a self-review with a recommended salary increase and submitted it to the trustees. She based her review on six-month goals she had submitted to the trustees and to staff when she began her job. She had asked for feedback from both groups. On her self-review, she noted in particular her financial performance, raising \$41,000 in grants. The trustees were pleased with her performance and gave her the requested 8% raise. Soon after, however, rumors started among staff about how much the raise had been. When Leslie reported to the Program Directors about the September board meeting, they raised a number of questions concerning how she had been reviewed and who had had input.

Around that time Anne and Brian came into my office to warn me that a lot of talk had been going on. I should have realized that with a new executive, everyone would be talking. But I had no idea. No one was coming to me, but instead they were talking behind my back. I think this is fairly normal, but instead of trying to resolve the problems they enjoyed griping about them. Anne and Brian couldn't give me any concrete ideas about why staff were unhappy. The only problem they could identify was my raise, but they both admitted it wasn't really any of their business. I agreed and said it was a deal I had made with the board before I had started and that I didn't have to answer to staff on the issue.

The Crisis

In November of 1991, just eight months after Leslie began, the following events took place:

About a week after I had begun to feel comfortable and to think that maybe this was the right job for me after all, things really began to get rough. I don't know if staff sensed my new level of comfort, if I was finally ready to hear criticism, or if people were finally comfortable telling me things.

It started with the personnel policies, all of which needed to be updated. Benefits were not standardized, with the exception of daycare workers whose salaries are regulated by the state. The Center had grown up with people

making their own arrangements and writing their own job descriptions. For example, the Afterschool Program Director had a ten-month schedule, but, to me, it would have made sense to have her work year-round and take responsibility for the summer programs. For other positions, no job description existed at all. In addition, staff evaluations were done on an informal and inconsistent basis.

I brought up the personnel policies issue soon after I started work, but there was resistance to making any changes, so I dropped the subject. In the fall of 1991, I picked it up again and hammered out a series of policies. When I met with the Program Directors to go over the draft, the policies that had met with resistance before just flew by. I made the policies consistent from that point on but grandfathered in everybody who had their own special arrangements. I had also put together a grid of program directors' jobs, their hours, and their benefits to point out the inequalities and to show people what everyone was getting. This raised a question of whether staff were full-time or part-time. I didn't feel that was the main issue and told staff we'd deal with it another time.

In November, I met with the personnel sub-committee of the board (see Exhibit 4 for a description of their backgrounds) to review the proposed personnel policy changes. I invited the Program Directors to come because I didn't want anyone to feel excluded. The meeting went well until Brian said he was offended that he was considered part-time, not full-time. I should have suggested we deal with it later, but I felt that I couldn't do that without hurting his feelings. I was forced to fight with him in front of the trustees. I told him I would have to be convinced of his being full-time. It got to a very uncomfortable point, and the trustees finally asked the Program Directors to leave, in an effort to move the meeting along. The trustees then suggested that we tell him it would be put on the agenda for another meeting in order to appease him. I didn't think it was a trustee-level issue at all.

For the next few days after the meeting, I was very upset. I felt Brian had betrayed me by bringing up something that was not on the agenda and that I saw as self-serving. It was also embarrassing for me to have to show that kind of discord to the trustees, especially when I didn't feel it really existed. The Daycare Director, Denise, had also been very aggressive about the full-time/part-time issue and had had a very disrespectful attitude toward the trustees. She was basically saying, "Hey, you're my pals and I'm on the same level with you." I have a real problem with that! I feel that the trustees are at a policymaking level and that they should be comfortable about making a wise decision without feeling pushed by staff.

Greenhill Community Center (A)

Sitting in her office, Leslie wondered what she should do first in an effort to resolve this most recent crisis and the other problems she was confronting.

Exhibit 1

Greenhill Community Center balance sheet as of August 31, 1990 and 1991

<u>ASSETS</u>	1990	1991
<u>Current Assets</u>		
Cash	\$ 300	\$ 2,219
Cash reserves	13,700	15,285
Prepays	4,902	9,617
<u>Total Current Assets</u>	\$18,902	\$27,121
<u>Other Assets</u>		
Lease	\$17,005	\$17,005
Equipment	20,486	28,467
Less accumulated depreciation	12,686	15,385
<u>Total Other Assets</u>	\$24,805	\$30,087
<u>Total Assets</u>	\$43,707	\$57,208
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts payable	\$ 5,981	\$ 3,763
Withholding taxes payable	1,171	1,590
Accrued fees for consultants(1)	4,645	361
Accrued payroll	425	81
Annuities	6,340	7,576
<u>Total Liabilities</u>	\$18,562	\$13,371
<u>Fund Balance</u>	\$25,145	\$43,836
<u>Total Liabilities and Fund Balance</u>	\$43,707	\$57,207

Exhibit 2
Income Statement

	Jan '91, year to date	5/12 budget (Sept - Jan)	1991 budget	1990 actual
Revenues				
Fees	\$233,873	\$219,760	\$527,425	\$447,718
Grants	30,987	35,937	86,250	63,176
Fundraising	8,765	12,760	30,625	23,421
Rental income	8,303	9,375	22,500	35,763
Total Revenues	\$281,928	\$277,832	\$666,800	\$570,078
Expenses				
Payroll - building	\$25,447	\$27,885	\$66,925	\$61,320
administration	14,870	14,843	35,625	33,707
teachers	83,246	99,497	238,795	174,037
program	39,640	36,202	86,887	58,306
taxes	13,808	18,847	45,233	26,932
Heat/Utilities	7,733	7,812	18,750	15,655
Fundraising	4,817	1,562	3,750	4,988
Insurance	10,482	10,417	25,000	24,857
Repairs/ maintenance	10,555	5,208	12,500	11,935
Supplies	6,490	6,250	15,000	27,603
Programs	7,140	5,245	12,587	3,448
Ads	4,103	1,562	3,750	5,202
Misc.	852	781	1,875	3,580
Phone	1,277	2,760	6,625	6,445
Depreciation	1,125	1,302	3,125	4,513
Legal/ accounting	0	937	2,250	2,187
Music teachers	45,622	33,333	80,000	99,656
Total Expenses	\$277,207	\$274,443	\$658,677	\$564,371
Revenues - Expenses	\$4,721	\$3,389	\$8,123	\$5,707

* Profit margins by program: Music - 15%; Afterschool - 10%; Elder - 7%; Enrichment - 10%; and, Daycare - 58%.

Exhibit 3
Organizational Chart

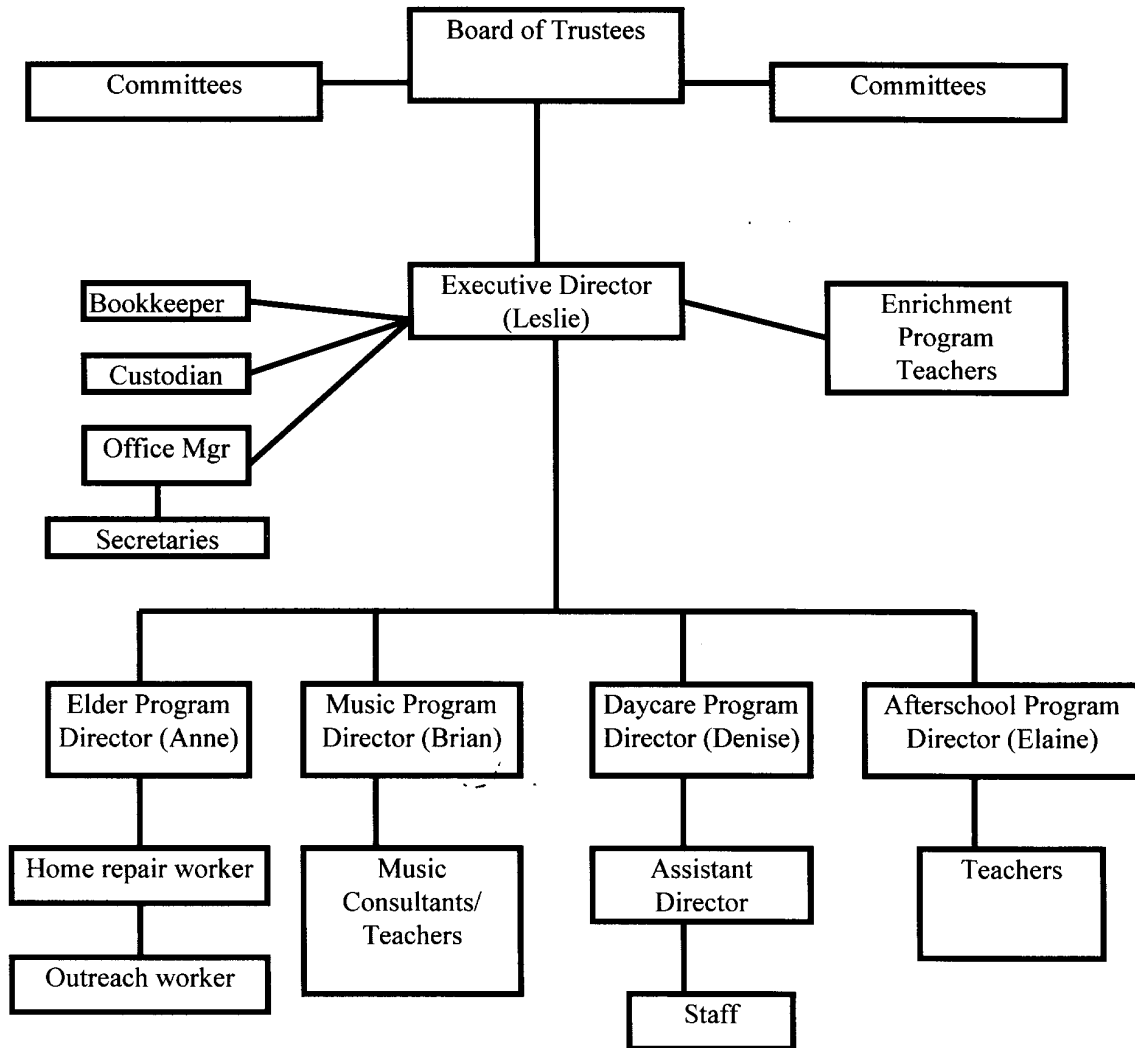


Exhibit 4
Trustee Backgrounds - Personnel Subcommittee
(Leslie's perspectives)

Scott, in his forties, was Chairperson of the Trustees and worked as the head of labor relations for the state. He was very conciliatory and low key but had natural leadership on the board. He had excellent negotiating skills but was from the old school of management where there are bosses and there are workers. He was supportive of Leslie.

Miriam, thirty-two, was Vice-Chairperson of the Trustees and a full-time homemaker. She had one child in the daycare program. She formerly worked at a public relations firm and was active in Greenhill's fundraising activities. She was also supportive of Leslie.

Alfred, in his late fifties, was a dentist. He was also from the old-school of management and felt that there were bosses and employees.

John, late forties, served as Secretary of the Trustees. He was the former head of personnel for the Coastal City Mayor's Office and was working as a school teacher. He had little tolerance for staff complaints.

Other Trustees included:

Accountants [2]

Engineer

Lawyer

Coach

Insurance

Banker

Music therapist - Asian

New - first black member, woman, AA/EEO officer for Coastal City

New - former radio personality

(1) The music teachers showed up on the balance sheet as "consultants."