

Establishing community-based organizations

By definition, community development is about organizing people and resources to accomplish common goals. Therefore, one of the most fundamental questions facing community developers is, “How should we be organized?” This Lecture identifies some important issues that should be addressed before a community-based organization (CBO) is formed and provides an overview of different types of CBOs. For those new to the field, students and even experienced community developers, this lecture can serve as a “how-to” guide for establishing CBOs. Examples of different types of CBOs are provided.

Introduction

So, you want to start a community-based organization (CBO) or a community development corporation (CDC). You’ve looked around the community and found something you think should be or could be made better, be it economic development, health care, housing or transportation. You’ve assembled a few similar thinkers and you are all committed to doing something positive. That usually leads to forming an organizational committee that will lead to a formal community-based organization that will lead to.... Stop! Before the first bylaw is written, before the first officer is elected, there are some basic organizational

structuring steps that, if taken, will save time and effort and create a more productive and sustainable organization. A little thought and deliberation at this juncture will pay great dividends over time. Starting a community organization should be approached with as much care as starting a small business ... because that's exactly what you are contemplating. Both must plan, market, manage staff, create revenue streams and maintain cash flow. The important point for CBOs is to give as much attention to the process of running the organization as it has passion for the project.

Fundamentals of forming a community-based organization

Whether the CBO is organized as an informal steering committee, a traditional board/committee, or as complex network of organizations, there are several fundamental questions that should be answered by all start-up organizations. Get these right and almost everything else will fall nicely into place.

What do we want to do?

To determine this, make sure you're asking the correct question. The initial question should not be, "How do we become a CBO?" It should be, "How can we get better and more affordable housing for all?" Keep focused on the destination, not the vehicle in which you will be traveling. This is not always as easy as it sounds, especially in the formative stages of group process

when strangers come together to pursue a passion. Some will be very type A and get bogged down in the mechanics of organization. Others will be so driven by the passion for the project that they will want to skip important foundation-building requirements. The remainder By definition, community development is about organizing people and resources to accomplish common goals. Therefore, one of the most fundamental questions facing community developers is, “How should we be organized?” This lecture identifies some important issues that should be addressed before a community-based organization (CBO) is formed and provides an overview of different types of CBOs.

Is there anyone already doing this?

The next logical question would then be, “Is there anyone else already doing this?”

Yes!

Mission and purpose

A clearly defined mission statement is critical, but even more critical is its constant use to guide strategic decision making. It establishes what will be done, who will be involved, and how the community will be affected. The mission statement is what keeps your ship in the correct ocean. While crafting the mission statement, it is important to recognize that there are four different types of community development functions and people – organizers, developers, planners, and resource providers – and that each has different purposes and expected outcomes.

Organizers are about advocacy and empowerment, about influence and being heard, about applying political pressure, or staging protests. Organizers are likely to congregate in neighborhood coalitions organized around social issues. These groups can focus attention on a need previously ignored and provoke resource commitments previously unavailable.

Developers are project centered and about doing, creating, and building. Development projects can require substantial resources to deliver the products or services making the organization dependent upon outside support and relationships. Developers require a wide range of technical and administrative skills to accomplish complex and time-consuming, long-term projects. Development organizations vary widely in scope and can be independent or networked, simple or complex.

Planners are about visioning and charting a course of action. They compare the past to the present and develop a roadmap for the future. Planners examine possibilities and pull the pieces together into a larger picture. While elements of planning are found in all CBOs, some organizations form purely for the purpose of strategic planning and must be able to bring together diverse groups to create a shared vision. It is not uncommon for planning organizations to complete the planning process and then regroup into development organizations.

Resource providers are just what the name implies. They are about giving and assisting. Providers include private and public charities, nonprofit organizations, government agencies, private individuals and businesses, faith-based organizations, and human service agencies.

Is the organization feasible?

A worthy cause supported by a workable plan with sufficient funding and competent leadership will generally generate sufficient organizational capacity.

Capacity includes:

- 1 Short- and long-term strategic plans.
- 2 Professional and/or volunteer staffing with effective leadership and management skills.
- 3 Sufficient available facilities and equipment.
- 4 Sustainable financial resources and sufficient cash flow to provide for the organization's operations.

Capacity also includes the credibility and influence of those leading the organization, a track record of demonstrated ability to achieve results, and a constituency base that can provide political influence.

Is there a business plan?

The most important use of a business plan is to ground the organization in reality and provide operational guidance for daily decisions. A business plan should

include:

- 1 A description of the organization (what it will do and how it will help).
- 2 A marketing plan (who will be served and how they will be reached).
- 3 A financial plan (start-up financing, expenses, revenues, and cash flow).
- 4 A management plan (description of the management team's experience).

A business plan increases the chances of securing funding, helps identify strengths and weaknesses of the organization, and provides a way to measure actual results against what was planned. There are some who will resist a formal business plan, seeing it as a waste of time. "We don't have time for all of that; we know what needs to be done. Let's just get busy."

Can we pay the bills?

"It takes money to make money" is as true for nonprofits as it is for private business. The only difference is that in the nonprofit world, "money" takes many forms. It may be cash, in-kind, volunteers, or institutional support. The bottom line is that the organization must have sufficient start-up support to get organized and secure initial and sustained funding. Most small businesses fail because of inadequate cash flow and CBOs are no different. According to an unknown sage, "The not-for-profit that doesn't make a profit is a bankrupt not-for-profit."

Partner and grant organizations for local community development

Community-based organizations do not exist in a vacuum. They must establish local relationships as well as partnerships with state and federal agencies and organizations throughout the public, private, and nonprofit sectors.

Public sector

Public sector federal programs

A review of federal agencies indicates that resources from federal agencies most commonly flow to their own regional branches, to state and local government entities, to regional economic development authorities, to educational institutions, or to nonprofits. These entities may then distribute the resources further until they are received by a local development organization, an intermediary linking government funding with a private sector entity, a nonprofit or an individual consumer.

Public sector state programs

Every state has an agency that delivers economic and community development programs using a variety of organizational models. The superagency structure combines all functions of primary economic and community development activities – such as economic development, workforce development, and tourism – out of a single centralized administrative unit. The regional structure is also a single department but services are delivered through a clearly

defined network of regional offices and regional advisory councils. The umbrella-structured agency centralizes policy and administration with daily operations executed by a network of private nonprofit corporations and related state agencies (e.g., tourism, workforce development). The private sector structured agency basically outsources its programs through a state-level public–private partnership. State development agencies also provide community betterment programs with awards and recognition when a community meets certain levels of achievement in community development. These programs may be run entirely by the state agency or in partnership with other organizations. It is also common for an independent organization to take the lead in these programs with support coming from the state agency.

Public sector university-based programs

University centers are partnerships between federal government and academia that mobilize the vast resources of universities for development purposes. Partially funded by the Economic Development Administration, these centers perform research to support development of public policy and economic programs. They may also initiate special development projects and consult with government agencies, businesses, media, and the general public. Local universities play important roles in business development through business incubators for

technology or biotechnology and are the funnel through which flow extremely important federal research and development funds.

Private sector

Private sector companies and organizations participate in community development through grants, technical assistance, and staff involvement in community leadership roles. Utilities, banks, and private developers are the most common private enterprises to undertake community development activities and they are generally involved in activities that relate to their specific business mission or that will create revenue-generating opportunities for them. Electric utilities in particular offer extensive support in prospect leads and responses, community preparation, and leadership development. Corporate grants and contributions are valuable resources and it is important to establish relationships with the local manager or economic development representative.

Types of community-based organizations

Community-based organizations are too numerous to describe fully but they can generally be categorized as independent organizations, networks, partnerships or regional initiatives.

Independent organizations

The local Chamber of Commerce is perhaps the most pervasive community-based

organization and represents the fundamental organizational structure for CBOs – a volunteer board of directors with committees. Chambers pursue a variety of interests including economic development, leadership programs, community promotions, governmental affairs, and are as diverse as the communities they serve. Because Chambers are such familiar organizations, there is little need to describe them in detail but they should be recognized for the direct and indirect impact they have on a community. A community with a strong, progressive Chamber is likely to be a very successful and competitive one. Other local civic organizations include Business Improvement Districts, Downtown Partnerships, and Main Street programs.

Community development corporations

A community development corporation (CDC) is a nonprofit organization that serves a particular geographic area and is normally controlled by its residents. A board of directors, usually elected from the membership, governs CDCs and may also have board positions reserved for representatives of key local institutions such as banks, city government, or the hospital. A paid staff and volunteers execute the programs of work. Some CDCs focus on one issue, such as housing, while others pursue a wide range of activities from grass-roots advocacy to job creation. CDCs may vary in focus but they have one thing in common – they are entirely focused on the issues that are unique to the local community. In many ways, CDCs are the

purest example of a grass-roots development organization. CDCs depend upon collaborative efforts and must be very astute in developing relationships and building partnerships. Typical partners include faith-based institutions, nonprofits, government departments and agencies, private developers and businesses, banks, national and state intermediaries, social service agencies, schools and colleges, and others related to the specific mission of the CDC. These organizations also provide the volunteer base that is critical to CDC success

Networks

A network is formed when two or more organizations collaborate to achieve common goals; to solve problems or issues too large to face independently; to leverage the power of numbers in exercising influence or flexing political muscle; to maximize limited financial and human resources of a community by reducing duplication of organizations; or to operate more efficiently in concert with others.

Information exchange networks

Networks may be as simple as an arrangement to exchange information among organizations or businesses that share common interests such as trade associations or Chamber-based Leads Groups. Leads Groups are structured so that there is only one company per business type represented in the group – one bank, one utility, one lawyer. Group members share business opportunities, and doing business with one another is encouraged.

Service delivery networks

Other networks, such as the International Council of AIDS Services Organizations (ICASO), are very sophisticated and can be very high maintenance. ICASO is a massive network of numerous CBOs providing prevention and/or treatment services for AIDS patients and is organized from the local to international levels. Networks can be very effective in addressing social issues, especially those that are multi-dimensional.

Flexible manufacturing networks

Flexible manufacturing networks (FMN) gained popularity in the U.S. in the 1980s and are still an operating a lending program that provides gap financing for business start-ups and expansions, and organizing community groups and neighborhood associations. Partners include local utilities, state agencies, private individuals, local business and industry, representatives of the farming industry, volunteers, and VISTA workers.

Massachusetts Association of Community Development Corporations (MACDC)

MACDC is the state-wide policy- and capacity-building arm of the CDC movement in Massachusetts. Its board of directors includes representatives from member CDCs and its extensive staff provides support in the areas of economic development, affordable housing, community organizing, advocacy, and building

CDC capacity. One relatively new tool that MACDC has deployed is the Individual Development Account (IDA). IDAs are income-eligible savings accounts that are matched anywhere from a 1:1 to 4:1 ratio from a combination of private and public sources. The funds are then used for one of three purposes – education for themselves or their children, business capital, or the purchase or repair of a home. The importance of a strong support system for local CDCs cannot be overstated. MACDC and the services it provides are largely responsible for the successful CDC movement in Massachusetts. Important economic development tool. FMNs may limit their partnerships to simple exchanges of information or may go so far as to jointly own production facilities or share IT infrastructure. They can be structured on the strength of a handshake or through legal, contractual arrangements. The catalyst for the FMN may be an existing organization such as a trade association, a government agency that organizes new private or nonprofit organizations, or a group of firms may organize themselves in response to market conditions. In most cases, an FMN is built with the services of a broker, someone who helps companies form strategic partnerships, organize network activities, and identify business opportunities. The broker may be an employee, a consultant, a government agency, or a nonprofit. The wood products industry was among the first to embrace the FMN concept.

Business cooperatives

In 1985, a small group of community members in southeastern Ohio established a number of worker cooperatives to help low-income people start worker owned businesses. The network clustered food-processing companies, trucking firms, and restaurants, and provided support services, access to capital, and cooperatively owned equipment.

Public–private partnerships

Public–private partnerships (PPPs) are collaborative arrangements between government and the private sector that involve the public partner paying, reimbursing, or transferring a public asset to a private partner in return for goods or services. Government today struggles to deliver public services, often forced to choose between harmful reductions or significant tax increases. PPPs can provide a welcome alternative. Table 7.2 depicts some different levels of PPPs. Outsourcing and privatization are fairly straightforward, but the blending of the two is much more complex. PPPs are not always well received, with strong opinions on both sides. Supporters cite cost savings of up to 40 percent while realizing more innovation and improved quality of service. Detractors fear violations of constitutional or statutory law, private sector greed, lack of accountability, and an increase in unemployment. The debate can be very polarizing, so it is important to focus on actual case studies when exploring the potential benefits of implementing

a local public–private partnership. PPPs often pair up competitors to create a win-win partnership. For example, the U.S. Postal Service recently awarded a contract to Federal Express for the transportation and delivery of its international Global Express Guaranteed mail service, with about 7400 USPS locations offering the co-branded service. It may not be as extreme as a Coke machine in the Pepsi plant, but it does seem a bit unusual at first thought.

■ **Table 7.2** *Public–private partnerships*

<i>Level of Partnership</i>	<i>Description</i>
Outsourcing	Contracting by a public agency for the completion of government functions by a private sector organization. For example, contracting janitorial service for a city hall or contracting the design and maintenance of a city's web presence.
Public–private partnership	Means of utilizing private sector resources in a way that is a blend of outsourcing and privatization – an interactive, working partnership.
Privatization	The sale of government-owned assets to the private sector. For example, when government turns over prison functions to private providers.

Source: *National Council for Public–Private Partnerships*.

Regional initiatives

Regional initiatives are important because they provide a framework for addressing society's most complex problems. Communities are finding that issues of air quality, transportation, infrastructure investments, and economic development are well beyond the ability of one municipality or one organization to handle alone. Regionalism involves formal institutional arrangements, shared decision making and participation of governing institutions throughout the region, and varies structurally according to objective, project scope, who is involved, and time

requirements. Regional collaboration among government units can take many forms such as consolidated government functions (combined police forces with equal authority across multiple jurisdictions), metropolitan planning councils, special service taxing districts, and joint service agreements. Regional collaboration is also possible among citizens' groups, area coalitions, and alternative planning organizations (National Association of Regional Councils). Regionalism can be especially effective in economic development. More and more cities and counties are banding together to create regional marketing organizations in order to "get on the radar screen" for investment projects. Regionalism can be one of the best tools for rural communities that otherwise would not have the resources to market themselves, or even to develop infrastructure by themselves.

Regional leadership programs

In order for regional initiatives to succeed, leaders must adopt a regional attitude. Similar to local leadership development programs, regional programs focus on increasing understanding about issues of the region, developing collaborative skills, and building personal and trusted relationships throughout the region.

Programs come about due to a variety of reasons.

Conclusion

So, do you still want to start a community-based organization? If you choose to proceed, there is one final point to keep in mind. Community development

organizations should always remember that they are only part of a broader community. The strength and diversity of these groups, their relationship to one another, and their ability to form alliances with organizations outside their community greatly influence the level of success experienced locally. Cities with comparable development organizations will experience different results based upon how development is organized and the working relationships among the CBOs. The concept of comprehensive community development recognizes the varied sectors of a community – social, economic, physical, governmental, cultural, educational, and environmental – and the need to address them in holistic rather than piecemeal fashion. So, elect a chair, build a budget, and get organized for a most rewarding experience – effecting positive community change.

Developing community leadership skills

To be successful, community development programs must have input and support from the broad spectrum of stakeholders. Because these stakeholders often have different agendas, good leadership is necessary to bring all parties to the table, reconcile differences, achieve consensus on a vision and path forward, and then lead the charge. Leadership skills are not a birthright – they must be learned and honed continuously. Successful communities make leadership development

programs an integral part of their community development plan. Good leadership in both the public and private sectors is necessary to maximize success in community and economic development.

Introduction

In all rural areas, community after community is struggling to figure out what needs to be done to create a healthy economy and an attractive quality of life. The problem is complicated by the accelerating rate of change in the nature of economic activity, globalization, growing concerns for local educational capacity, increasing demand for a broader array of municipal services, the impact of the Internet, and so on. In particular, the dynamics of the new economy are placing additional pressure on communities to develop leaders who understand what it will take to survive as a community in this new environment. This new economy is knowledge-based and requires knowledgeable and involved local leadership to take advantage of it. In addition, the shift from a manufacturing or resource-based local economy to a service economy has left many communities, and particularly rural ones, struggling to determine their destiny. Anyone traveling around the U.S. or other countries will come across a number of communities that are responding more effectively than theirs to these challenging times. Why are some communities able to rise above their problems and achieve a more sustainable living and working environment, while others are bogged down in

poverty, high unemployment, and a deteriorating quality of life? The answer is most likely to be found in the quality of local leadership, often the critical ingredient that determines whether a community overcomes its limitations or remains mired in them. Evidence strongly supports the conclusion that it is the effective involvement of local leaders that leads to successful communities. In these rapidly changing times, it is critical that local leaders understand how to manage change to the benefit of their community. Furthermore, if these leaders lay out careful plans of action and pursue them with some measure of unity, it is amazing what can be accomplished to change the destiny of the community.

The premise of this lecture is that the positive impact of local leaders in community and economic development can be dramatically improved if that leadership is “enlightened” and committed. This premise seems reinforced by the growing interest in community leadership, as seen by the increasing number of books and articles on the topic. This lecture provides a brief overview of how to create a stronger and more effective set of leaders in the community. To be successful, community development programs must have input and support from the broad spectrum of stakeholders. Because these stakeholders often have different agendas, good leadership is necessary to bring all parties to the table, reconcile differences, achieve consensus on a vision and path forward, and then lead the charge. Leadership skills are not a birthright – they must be learned and

honed continuously. Successful communities make leadership development programs an integral part of their community development plan. Good leadership in both the public and private sectors is necessary to maximize success in community and economic development.

What does it mean to be a leader?

It is difficult to discuss the development of a stronger leadership base without common agreement of what “leadership” means. Unfortunately, the definition of “leader” or “leadership” is frequently misused or misunderstood. For that reason, it is important to begin by attempting to get a better grasp of what these terms mean.

Leadership defined

An extensive review of the literature reveals that no one has satisfactorily defined what leadership is, especially in the context of a community. The term often refers to anyone in the community who has relatively high visibility. However, a leader should be identified as someone who is more than a widely recognized individual or a local official. Recognition alone does not constitute leadership. Most articles and books on the topic of leadership conclude that it involves influencing the actions of others. This sums up to - “leadership appears to be the art of getting others to want to do something you are convinced should be done.” Leadership implies “followership.” A community leader emerges when he or she is able to get a number of community residents and/or businessmen to strive together willingly

for leaders' goals. How does one become a leader in a community? This doesn't occur by simply declaring oneself a leader; others need to acknowledge that leadership. No simple formulas or models exist to guarantee that one can achieve leadership. So, how does one attract followers? A leader's ability to get people to do something comes from a strong desire to see a particular outcome and a commitment to pursue that conviction. It has been said that "leaders are just ordinary people with extraordinary determination." Leaders must be able to make a compelling case for the current need for change, or their followers will stay satisfied with the existing situation, no matter how bad it is. Leadership is not innate. Many seem to believe that leaders come into this world with that capability but, in reality, they are nurtured. Although the *basic desire and motivation* to be a leader cannot be taught, if a child develops self-worth, self-confidence, and a concern for others, that individual begins the process of becoming a leader. Furthermore, basic leadership skills – such as the ability to listen actively, to clearly state one's position, to work with others collaboratively, and to negotiate solutions – can be developed through a combination of education, training, and experience. Few communities are totally lacking local leaders. This leadership shows itself in the activities of local organizations, government, school districts, civic clubs, and so on. Typically, a wide range of talent exists that can be put to good use in moving the community forward. Unfortunately, far too often, local

leaders don't work together toward common goals and visions for the community, and little improvement is accomplished. The good news is that, if appropriately directed, leaders can develop a shared vision and goals, and can work together to determine priorities and strategies to achieve the desired future. Additionally, when leaders of both public and private sectors work together, a community can accomplish more than it may ever have dreamed possible.

Power and influence

As noted, leadership involves influencing others, particularly with respect to embracing the leader's ideas. Since "power" may be defined as the ability to influence the actions of others, leadership may be viewed as the effective use of power. Power, is having the strength and courage to accomplish something. It is the ability and the desire to make choices and decisions. As a leader, the appropriate use of this power should be influencing others to embrace those choices and decisions. Actually, it is the perception others hold about a leader's power that enables that person to influence behavior. A number of ways exist to describe leadership power. For the purposes of this lecture, only two types of this power will be examined: position power and personal power. *Position power* belongs to people who are able to get other individuals to do something because of their position in the community or organization. Frequently, a mayor of a city is a good example of this type of power. Often, individuals holding a position use the

power of that position to try to exert the influence they want. *Personal power* is awarded to individuals who derive it primarily from their followers. Personal power is the extent to which followers respect, feel good about, and are committed to their leader, and see their goals as being shared and satisfied by the goals of their leader. In other words, personal power is the extent to which people are willing to follow a particular leader.

The visionary leader

Recently, much research has been conducted which bears out the previous statement that leaders need vision. In the context of community development, leaders should have a strong idea about a new and desirable direction for the community. Generally, local residents receive their vision of the community from their leadership since most have not developed their own. However, unless local leaders are able to clearly articulate their visions, those will remain important only to the individual leader. The leader's own belief in and enthusiasm for the vision is what inspires others. People will be inspired as they see how the vision can directly benefit them and how their specific needs can be satisfied. By clearly articulating a desirable vision, leaders help the community to see its potential. However, if people are to trust in the vision, they must trust those who promote it. They need to see the commitment and follow-through of their leaders. In other words, these visionary leaders must "walk the talk."

Ultimately, the many visions of the various key community leaders need to be merged into a compelling and “shared” vision held by the majority of them and, therefore, by most of the citizenry. Typically, local leaders have different ideas about what they want to see happen in their community.

However, if there is little agreement among these leaders as to what the future should hold, it is unlikely that much will happen to ensure that future. It is similar to being on a ship with no one in agreement as to its course. In this author’s experience, the most effective means for obtaining a shared vision is to move the key local leaders and stakeholders through a consensus building process in a workshop or retreat environment. Using small group techniques, the basic elements of a common vision can be quickly and efficiently developed. The drafting of the vision can be done by a select committee or the development organization using the input received. Despite the best efforts of visionary leaders, most of the residents of a community tend to resist getting excited over a vision that takes them into new places. They are most comfortable with what they are familiar with, and are likely to resist change. Unfortunately, it sometimes takes a crisis in the community to shake people and officials out of their complacency.

Community leadership: Leadership in transition

Good leadership has always been important. Leaders have been critical to

communities since people first started living communally. However, the nature of the local “community” has been changing, which requires new thinking about effective community leadership. In the last half of the twentieth century and into the present, the mobility of the nation’s population has often resulted in a loss of a “sense of community” in the traditional sense. This has often made it easier for residents to identify with the more *highly visible political* leaders than with the *less visible business* leaders who so frequently played a key role in the past. It is difficult for many in the community to be aware of potential private sector leadership because many of these leaders may be more involved with their businesses rather than with their local community. Their place of business has often become their “community of interest.” Furthermore, as a result of globalization and competition, the business leader today typically experiences a long work day. A segment of potential leadership is thus less available during “regular business hours” when many traditional community development activities take place. Many potential leaders are also being lost to the community due to the loss of local businesses that they had developed and managed there. By the same token, the influx of branch manufacturing plants, mergers and acquisitions of businesses, retail chains, and so on create a more fluid and mobile set of managers and executives. As these potential leaders are transplanted into the community from some other location, their lack of familiarity with their new surroundings

reduces their leadership impact. They are not likely to have as much desire or opportunity to build a following among community residents, nor feel much loyalty to what may be viewed as a temporary assignment. The shortage of effective leadership is evident in business, government, education, churches, volunteer groups, and every other form of local organization. Complaints regarding the scarcity of leadership talent in communities do not relate to the lack of people to fill organizational positions but to the lack of those who will and can be significant leaders. This presents a major challenge for the community development professionals as they try to create a higher level of leadership involvement.

Leadership effectiveness

Leaders can have the most significant impact if they represent the “culture” of the community. If the goals and values that the leader pursues are not in sync with those who will be affected by his or her decisions and actions, it is likely that not much attention will be paid to that so-called leader. This means that effective leaders need to know what the local culture really is. Useful feedback on local thinking may be obtained from constituents through such sources as the media, the mail, e-mail, faxes, and face-to-face contact. In addition, polls and surveys may be used. However, a leader must remember that polls tend to reflect rather superficial opinions that are subject to change. In addition, results from polls may not

necessarily be the same as the desires and expectations of most local residents.

It would also appear that a fundamental requirement of good leadership is a set of ethical standards that reflect the moral standards of the community.

Collaboration for progress

The most successful community development programs are usually effective public–private partnerships that include a high level of participation by key leaders across all sectors. In addition, these leaders/stakeholders collaborate with each other, which means they work together to creatively solve local problems. The idea is to bring people to the table who have different experiences, knowledge, and perspectives so that new and innovative ways may be found to bring about change. Instead of majority rule, a collaborative process seeks consensus on critical issues. This process of collaboration among the leadership in a community must be nurtured, strengthened, and managed; it doesn't happen by chance. Unfortunately, the most powerful leaders or stakeholders in a community are rarely open to working cooperatively in solving local problems. Instead, their self-interest drives them to control local initiatives. Those who perceive that they have the most to lose will be the least likely to support significant changes, making collaboration difficult. For example, local manufacturing firms in a rural county might oppose attracting new companies because that might raise wage levels and require new expenditures on infrastructure.

Identifying leaders: Who are the leaders?

As a community grows in size and economic complexity, it becomes less likely that it will be dominated by just a few leaders. Instead, a multidimensional leadership structure tends to emerge, comprised of a large number of individuals with a variety of specialized interests and leadership skills. As a result, it becomes more difficult to identify many of these leaders so they can be effectively integrated into the local community development process. Generally, successful long-term community development requires identifying and engaging the most important and influential leaders including those individuals who are highly visible as well as those less obvious individuals. It also involves assessing who among these leaders may resist collaborative efforts, how strongly, and why. Finally, it entails developing working relationships with these individuals to facilitate effective action toward community improvement. Identifying and involving leaders in the community development planning process has two purposes:

- First, to enlist their support in the initiatives needed to stimulate the local economy, improve the quality of life, or manage local growth.
- Second, to educate them so that their vision is based on a realistic set of assumptions that may be shared among the key leadership.

It is particularly important that local business leaders are recruited. Generally, the business power structure is the only local interest group that has a continuing and

consistent stake in local development policies and programs. While local policy initiatives generally come from city or county government, these agencies feel more secure about local development policy if they have the support of the major business organizations. It is usually well recognized that these people make or influence private investment and stimulate a healthy local economy.

Developing local leadership

The problem of developing adequate local leadership may be considered an issue of “civic capacity” (often referred to as social capital). Extensive research on this topic has demonstrated a clear contrast between strong and weak communities. The strong communities have the following in common: a leadership that works collaboratively, active citizen participation, a high level of volunteerism and philanthropy, and frequent public dialogue. It takes a lot of work to make this happen on a sustained basis. Civic leadership clearly requires strong and competent individuals. However, the overall intent of these leaders should be to empower others and increase participation in community life in order to create a better future for all (transformational leaders). The strategies used to enhance civic capacity include education and training, strategic thinking and planning, creating opportunities for effective volunteer involvement, and a good flow of information about the needs and assets of the community. Smaller communities in particular tend to have a unique leadership need. Their organizations are often

run by volunteer leaders with few if any paid professional staff. This reliance on volunteers for such areas as fiscal management, economic development, education, and program development and implementation, makes the need for leadership training in rural areas even more imperative. Why have a program to improve the competence of local leadership in the community? The rationale is as follows:

- Consensus decision making by a large group of participants is more desirable than centralized decision making by a small group of officials or professionals.
- Planned change, involving widespread public participation, is possible and more desirable than unplanned or *ad hoc* change.
- The process that produces planned change can be learned and used by a wide variety of leaders who are interested in improving the quality of the community.
- Potential leadership competence exists throughout the population of most communities and can be developed through education, skills training, and leadership experience.

Leadership training programs

There are now literally thousands of local, regional, and state-level leadership training programs in most countries. Funding for these programs comes from a variety of sources including membership dues, state and local tax funding, and foundation support. The leadership training programs have proven to

be a good method for involving leaders and training potential ones; however, the programs in themselves do not necessarily resolve the local leadership problem. Issues of local fragmentation and lack of unity of purpose can only be effectively dealt with through a consensus building and collaborative process that involves all the relevant leadership. The community leaders need to see themselves as in the same boat, rowing together to get where they want to go. In addition, much of agenda of the leadership training programs appears to be focused on acquiring knowledge. Participants learn how the community functions, how to plan, what community development is, and so forth. Certainly, knowledge is a necessary first step to changing leadership behavior but, by itself, it is not enough to develop new leaders. The new knowledge must be put into action. That usually requires the acquisition of new *skills*. To fully learn a new skill, people must first understand it, then practice it and get feedback on their performance. Certain leadership skills that can be developed and maintained are:

- problem solving
- planning and goal setting
- critical thinking
- effective decision making
- conflict management tactics
- negotiation techniques

- team building and team management
- group process techniques
- effective listening.

Simply having these skills, however, does not guarantee effective leadership. The successful leader is one who is inspired and motivated to use these skills in the appropriate ways at the appropriate times.

Getting leadership involved

As important as training local leaders is, it is not enough if the community is to benefit from their skills and knowledge. Frequently, the comment is heard: “I spent a year in this leadership training program but I don’t know what to do with what I learned.” The follow-up to all of this education and training is as important as the learning process itself. The key is to determine how to most effectively involve these emerging leaders in the local community development process. A number of community leadership programs have set up projects that are important to their development, and involve the new leaders in them. These projects may be an important contribution to their respective communities but should be weighed against the priority development issues that each community faces. Consideration should be given to channeling the effort of these new leaders into activities that will address key development problems.

Motivating local leaders

Leaders can be energized and motivated if they come to realize that their personal lives and their business activities are dependent on how well the community is doing. Their enthusiasm for getting involved will be greatly increased if they see that they can play an important and decisive role in creating a more positive living and business environment. In a more practical sense, the appeal to the volunteer leader can be explained in the description that he or she will “give up a dollar today with the hope of making two dollars tomorrow.” Hopefully, leaders will look at their investment of time, energy, and money as a means of gaining more for themselves as the community prospers. The “selfish” aspects of this are offset by those of hope. Although there is no assurance of gain for the individual, it may be hoped that if effort is made the community is likely to come out ahead.

Workshops/retreats

One approach to motivate and involve local leaders is to conduct a workshop or retreat to teach them why their involvement is needed and to solicit their input regarding the development needs of the community. The key issues identified by the leaders can also be prioritized through a structured group process. The results from this process can be incorporated into the community development plan. This process is also useful for the board members of the development organization so that they can establish organizational priorities consistent with

those of the community at large.

It is usually desirable to hold a retreat at some distance from the community in an unusual surrounding away from ordinary distractions. This fosters a sense of togetherness that facilitates dialogue and problem solving. Over the course of a day or more, this relative isolation also permits a continuity of discussion and input among the participants that is often impossible to achieve in a series of meetings, or within a localized workshop that allows participants to come and go as their own perceived schedules dictate.

Advisory councils

Another way to involve local leaders is to enlist their participation in various organizational advisory councils. These are frequently formed by various agencies in the community to encourage input and support of their programs. Local government agencies may establish private sector advisory boards. Community development organizations may use the councils or boards for obtaining advice on a variety of key program areas. Although advisory councils can be helpful in providing insight and a forum for ideas, it is difficult to sustain interest in such group participation. Busy leaders may tire of being part of something that is merely advisory. Furthermore, the advice given may not be heeded by the organization to which it is given, which is frustrating to the giver. As a caution, without a mechanism to address these issues systematically, advisory councils can

be reduced to public forums for airing grievances.

Leadership trips

A number of communities around the nation have initiated what have become known as “leadership trips.” Typically, elected leaders or volunteer participants focus on a particular problem in their community and then find a city that has tried and ostensibly succeeded in tackling the same problem. Visits to these selected cities can be very productive, as these visiting leaders are able to see what the community has done and hear from local leaders how they were able to accomplish it. New ideas can then be brought back and, through a process of dialogue and planning, possibly initiated in their community.

Task forces

A higher and more sustained level of leadership involvement can occur through establishing task forces to deal with specific aspects of community development. They are called “task forces” because their assignments are usually focused on “tasks” or areas of need and members are generally appointed for a specific and reasonable length of time. Task forces can present opportunities to incorporate the expertise and interest of leaders and volunteers into productive channels of activity through direct membership in or consultation to the task force. Enthusiasm toward their task force appointments can be much higher if the members know they have been carefully selected and are made to feel that their participation is an honor as

well as an important contribution. A task force approach provides the advantages of:

- (1) concentrated activity within a designated time frame;
- (2) working in a collaborative group; and
- (3) being part of a network of influence.

Typical concerns of task forces established for community development programs are:

- population growth and housing availability
- workforce development
- stability of the local economic base (e.g., business retention and expansion)
- land planning and environmental considerations (e.g., “sustainable development,” “smart growth”)
- quality of life trends
- infrastructural demands and capabilities
- local education improvement
- marketing strategies
- program funding
- technology development.

The precise size of such a group will be determined to a large extent by its purpose

and the representation needed in its membership. Unless wider representation is needed, most task forces or committees should comprise fewer than 20 people. A smaller task force or committee increases the opportunities for each member to take part and business can be handled in a more informal fashion. Smaller committees not only assemble more efficiently for meetings but tend to be more flexible and able to handle sensitive or controversial topics. It should be kept in mind that task forces or committees are usually not meant to be action-oriented organizations. These leadership groups are policy makers, thinkers, and planners; they are not doers. Their satisfaction comes from seeing things happen in the community as a result of actions in which they took part. Their role is to help the community development organization:

- (1) think through problems,
- (2) encourage education when needed,
- (3) determine priorities and timing,
- (4) mobilize financial support as appropriate, and
- (5) support and promote a plan of action. The job of implementing the programs then falls on the governmental agencies or private sector organizations responsible for these programs.

Board positions

One of the most important roles that community leaders can play is membership on the board of directors of the local development organization. However, the board should be an integral part of the organization rather than only a group to whom the executive director reports periodically. The skills and contacts of these leaders usually offer a great deal toward implementing the community development program. On the other hand, the board should understand that its primary responsibilities are to set policy and evaluate results. They should not take an active role in the day-to-day implementation of that policy (“micromanagement”), which is strictly a staff function. A more detailed discussion on the role of the board, how it is selected, and how it functions would require a document of its own to do this topic justice.

Leadership in community and economic development

Leadership and community and economic development share many common elements. As discussed in this lecture, leaders study their community situation, solicit widespread input from all concerned parties, build consensus, create and communicate a shared vision, and motivate people to implement the community plan. All too often, citizens do not fully understand the importance of making their community development-ready and quick decisions are made without adequate thought and planning. In some communities, the attitude is “let’s find a piece of land and develop an industrial park immediately,” which frequently leads to a rash

decision to buy a less marketable (and often cheaper) piece of property.

Worse yet, the community's attitude may be "this is a great community and business should want to join us; we'll help them find a site when they decide to locate here." The fallacy of this attitude is that most businesses would choose instead to find a good prepared site, or building in another community, rather than run the inherent risk of delay in new site development and, in turn, incur a financial penalty from a later start-up. With effective leadership, such a scenario would be less likely to occur. Exercising the skills discussed in this lecture, a good leader would make the community development-ready by encouraging it to develop a vision and plan, conducting an assessment of its strengths and weaknesses, and developing both a step-by-step strategic plan and a marketing plan to attract industry to that community.

Conclusion

It is essential that local leaders become more effectively involved in local community development activity if their communities are to grow and prosper. However, the competitive pressures on companies and government are creating a shortfall in the availability of key leadership. The development profession cannot afford to ignore or gloss over this growing crisis in community leadership. It cannot simply be assumed that the problem will take care of itself. Therefore, it is important that development organizations give serious

consideration to the way they might facilitate the leadership in community development or serve as catalysts in a more positive direction. It is hoped that the information in this lecture will aid in creating more effective local leadership.