

TRANSFORMING A NONPROFIT ORGANIZATION: A CASE OF UTILIZING EFFECTIVE LEADERSHIP AND MANAGEMENT TO ACHIEVE MARKETING SUCCESS

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CASE DESCRIPTION

The primary subject matter for this case is management and marketing of nonprofit organizations. Secondary issues examined include strategic management, marketing strategy, leadership, transformational leadership, and organizational change. The case has a difficulty level appropriate for first year graduate level courses. The case is designed to be taught in one class session equivalent to one and a half hours. It is expected to require between three and six hours of outside preparation by students.

CASE SYNOPSIS

The Downtown Development Corporation (DDC) in Fletcher, NE was a non-profit organization that organized events in downtown Fletcher, a small community that underwent a downtown revitalization. The DDC hired consultants to develop a marketing plan for downtown Fletcher and the plan was received well by the DDC Board. However, shortly after, a city commissioner publicly questioned the organization's mission and activities resulting in public scrutiny of the DDC. The DDC was asked to make a presentation to the commissioners in order to justify its existence and receive funding for the next year. They were successful in securing funding, but the DDC had done nothing with the marketing plan. The board president grappled with challenges in the organization's mission and vision, resources, management, and leadership. She did not know how the DDC would be able to successfully implement the marketing plan in light of the problems. She wondered, "How should the DDC proceed with the marketing plan? Would the city and community members support the marketing plan and continued funding? Do I have the right Executive Director in place to successfully lead the DDC? If we lose city funding and community support, will we have to dissolve the organization?"

INSTRUCTORS' NOTES

Discussion Questions

1. What was the mission of the DDC? Evaluate the DDC's mission statement. How were the strategic plan components for DDC (or any nonprofit organization) similar to or different from a for-profit organization?

2. What were the strengths, weaknesses, opportunities and threats of Downtown Fletcher and the DDC? To what extent should the SWOT analysis have impacted the marketing plan and why?
3. Nonprofit organizations require both management and leadership. Compare and contrast “management” and “leadership.” What did the DDC Executive Director do well in terms of management and leadership? In what areas of management and leadership did she fail?
4. Transformational leadership has been proposed as a very good model for guiding leadership efforts in nonprofit organizations. Applying the four factors of transformational leadership – idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Riggio, Bass, & Orr, 2004) – suggest how the DDC Executive Director could have been a more effective leader.
5. Using various models of organizational change – Lewin’s (1951, 1958) three-phase model of change (unfreeze, move or change, and refreeze) and the learning organization model (Howell and Costley, 2006) – describe what the DDC Executive Director should have done to get this organization on track (no pun intended) and implement the consultants’ marketing plan.
6. What should the DDC Board President have done in terms of the organization’s strategy, mission, and its leadership under the Executive Director?

NOTE: Handouts instructors may want to distribute to students to help address Discussion Questions 3, 4, and 5 are included in the Appendix.

Suggested Answers to Case Questions

1. **What was the mission of the DDC? Evaluate the DDC’s mission statement. How were the strategic plan components for DDC (or any nonprofit organization) similar to or different from a for-profit organization?**

The “strategic plan” of the DDC (which includes its mission), as stated on its website, is:

Downtown Fletcher Vision

The DDC envisions a downtown area that is both physically and economically dynamic. Beautiful, historic and well-preserved buildings will complement a thriving economic mix of businesses, residences and public services. An easy-to-locate downtown will be a gathering place

for a wide variety of local community members and visitors. An exciting combination of unique shopping, dining, arts, entertainment, recreation and gathering places will draw individuals, families and professionals downtown, as a place to spend both money and time in a friendly and cheerful environment. A vibrant Downtown Fletcher will be pedestrian-friendly and will include design elements that visually unify the entire area, with increased connection to the Fletcher State University (FSU) campus.

DDC Vision Statement

The DDC will be the binding force and catalyst for organizations impacting Historic Downtown Fletcher. DDC will strive to represent Downtown Fletcher through open communication and strategic planning which will enhance and secure the quality of life in the community. DDC will draw on a collaboration of funding from public and private sources. Our organization will foster awareness by recognizing, communicating and celebrating the accomplishments of Historic Downtown Fletcher.

DDC Mission Statement

The mission of the DDC is to foster awareness and promote Downtown Fletcher as a vibrant center of commerce, recreation, arts, government and history that serves the people of Fletcher, the surrounding region and visitors from around the world. The DDC will work to prevent the deterioration and enhance the viability of the community's cultural centers, historical landmarks and public infrastructure important to the community's economic and cultural well-being.

Students should discuss whether this constitutes a "strategic plan." In doing so, students should generate a list of the components of a strategic plan. The list below describes each piece of a strategic plan in the order that they're typically developed.

- **Mission statement:** The mission statement is an overarching, timeless expression of an organization's purpose and aspiration, addressing both what it seeks to accomplish and the manner in which it seeks to accomplish it. It's a declaration of why it exists as an organization.
- **Vision statement:** This is a short, concise statement of the organization's future. It answers the question of what the company will look like in five or more years.
- **Values statement or guiding principles:** These statements are enduring, passionate, and distinctive core beliefs. They're guiding principles that never change and are part of an organization's strategic foundation.
- **SWOT:** A SWOT is a summarized view of the organization's current position, specifically its strengths, weaknesses, opportunities, and threats.
- **Competitive advantage:** An organization's competitive advantage includes what it is best at compared to the competition.

- **Long-term strategic objectives:** These long-term strategic focus areas span a three-year (or more) time horizon. They answer the question of what an organization must focus on to achieve your vision.
- **Strategies:** Strategies are the general, umbrella methods an organization intends to use to reach its vision.
- **Short-term goals/priorities/initiatives:** These items convert the strategic objectives into specific performance targets that fall within the one- to two-year time horizon. They state what, when, and who and are measurable.
- **Action items/plans:** These specific statements explain *how* a goal will be accomplished. They're the areas that move the strategy to operations and are generally executed by teams or individuals within one to two years.
- **Scorecard:** The organization uses a scorecard to report the data of its key performance indicators (KPIs) and tracks its performance against the monthly targets.
- **Financial assessment:** Based on historical record and future projections, this assessment helps plan and predict the future, allowing an organization to gain much better control over its financial performance.

Clearly the DDC did not undergo the development of a comprehensive strategic plan (or, if they had, they had not made it available on their website). Students should also recognize that the organization's initiatives (four events a year) were not necessarily tied to any long-term strategic vision.

Students should also evaluate the specific mission statement of the DDC. "Foster awareness" and "promote" the DDC to "the people of Fletcher, the surrounding region and visitors from around the world" are mentioned. The mission also addresses the physical appearance of Downtown Fletcher. Is this a "good" mission statement? Drucker (1990) says that a mission statement for a nonprofit organization should be operational and focus on what the organization really tries to do, and be simple and clear. Does the mission of the DDC meet these criteria?

As a follow-up, the instructor may wish to address the role of a mission statement in a nonprofit organization versus a for-profit organization. Worth (2014, p. 58) states that "consideration of the mission is usually among the first steps undertaken in an organization's planning process. The mission is so central to all nonprofit organizations that they are said to be 'mission driven.' The mission is their purpose, and accomplishing it is their overriding goal. This commitment to a mission is a fundamental difference between nonprofits and the for-profit sector, and one of the reasons why nonprofit management is a distinctive professional field."

Worth (2014) goes on to say that "nonprofits stand somewhere between business and government. They are driven neither by the need to maximize profit nor by the need to meet the expectations or desires of a majority, but rather by achievement of the missions for which they exist. Like businesses, some nonprofits can and do generate profits. But, by definition, the generation of revenue is the means to the end of providing the public benefit envisioned in their charters and fulfilling the social purposes expressed in their mission statements."

2. What were the strengths, weaknesses, opportunities and threats of Downtown Fletcher and the DDC? To what extent should the SWOT analysis have impacted the marketing plan and why?

A SWOT analysis of the DDC can be gleaned from information presented in the case, including the text, the focus group themes, and public comments made in local media outlets and by the local newspaper editor found in the case appendices. The SWOT analysis should include the following:

Strengths

- Community members took pride in Downtown Fletcher, they were excited about the revitalization efforts, and had fond memories of Downtown Fletcher; as a result, the DDC had a good “product” to promote
- FSU students enjoy being a part of Downtown Fletcher when they have the opportunity
- The DDC had a marketing and branding plan developed by consultants that could have been implemented at any time
- The DDC had strong connections with other community organizations; they worked closely, for example, with the Fletcher County Coalition for Economic Development in recruiting businesses

Weaknesses

- Community members felt that Downtown Fletcher lacked a visible presence of people, businesses, and FSU students
- Community members were confused as to where to find information about activities and events (competing websites, for example) and they were not sure what the Bailey District is relative to Downtown Fletcher (implying that current marketing efforts by the DDC were not effective)The DDC was not located in Downtown Fletcher
- Over the past 2 years, the DDC had experienced turnover in leadership (3 Executive Directors in the last 2 years)
- The leadership of the DDC (i.e., the Executive Director) had inadequate experience and qualifications; the current Executive Director was not fully committed to the DDC; she had two “side jobs” - a photography business and direct sales of a skincare line; the previous Executive Director was a new college graduate who did not get a business degree
- Underrepresentation on the DDC Board by downtown businesses (as mentioned by Peter Lewis, Editor of the Fletcher Daily News)

Opportunities

- Award-winning, nationally-recognized businesses were located in Downtown Fletcher

- The community of Fletcher was happy with the downtown revitalization, and eager for continued downtown revitalization, more events, and additional businesses

Threats

- Downtown businesses closed early so community members could not shop, for example, after eating at a downtown restaurant; downtown businesses also did not stay open during DDC events
- Downtown businesses were divided; some supported the Freedom Group efforts and others did not (the Bailey District was a branding effort devised by Larry Lowman and the Freedom Group and not all downtown businesses were supportive)
- Larry Lowman was very controlling in terms of business recruitment; his strategic vision for Downtown Fletcher was not embraced by all downtown businesses or community members
- Very few downtown businesses were represented on the DDC Board
- Downtown businesses believed the community did not support the downtown enough (i.e., shop downtown enough)
- Public criticism and perception of the DDC (the community questioned whether the organization was accomplishing anything meaningful and whether city funding should have been used to fund the organization)

A SWOT analysis allows marketers to understand the environment in which an organization operates and is one of the first steps marketers should initiate in their research. The findings of a SWOT analysis will allow an organization to develop marketing strategies and tactics and capitalize on opportunities. Strengths and weaknesses are internal to the organization and will identify advantages and areas for improvement with respect to competitors. Opportunities and threats are external to the organization and will identify possible growth areas and factors that may inhibit that potential growth. With respect to the DDC, the SWOT analysis is a crucial first step that should have greatly impacted the development and implementation of the marketing plan. The strengths, weaknesses, opportunities and threats must all be considered simultaneously when developing marketing strategies and tactics. For example, an organization may determine that it has an advantage over competitors in delivering a specific type of product (a strength), but the marketplace may be overcrowded with competitors and alternatives (a threat) as to make the potential growth area unattractive. While the strengths, weaknesses, opportunities, and threats of *Downtown Fletcher* would primarily impact the marketing plan, it was important in this case for the strengths, weaknesses, opportunities, and threats of *the DDC* to be considered as well as the plan included a positioning strategy for the DDC and marketing strategies and tactics the DDC should implement.

- 3. Nonprofit organizations require both management and leadership. Compare and contrast “management” and “leadership.” What did the DDC Executive**

Director do well in terms of management and leadership? In what areas of management and leadership did she fail?

The distinction between “management” and “leadership” is not new, and most academic scholars and practitioners agree that effective performance in both areas is needed in for-profit businesses and nonprofit organizations for success. “The overriding function of management is to provide order and consistency to organizations, whereas the primary function of leadership is to produce change and movement. Management is about seeking order and stability; leadership is about seeking adaptive and constructive change (Northouse, 2010, p. 10). The functions of management and leadership are summarized in Table 1:

Table 1: Functions of Management and Leadership

| Management Produces Order and Consistency | Leadership Produces Change and Movement |
|--|---|
| Planning and Budgeting <ul style="list-style-type: none"> • Establish agendas • Set timetables • Allocate resources | Establishing Direction <ul style="list-style-type: none"> • Create a vision • Clarify big picture • Set strategies |
| Organizing and Staffing <ul style="list-style-type: none"> • Provide structure • Make job placements • Establish rules and procedures | Aligning People <ul style="list-style-type: none"> • Communicate goals • Seek commitment • Build teams and coalitions |
| Controlling and Problem Solving <ul style="list-style-type: none"> • Develop incentives • Generate create solutions • Take corrective action | Motivating and Inspiring <ul style="list-style-type: none"> • Inspire and energize • Empower subordinates • Satisfy unmet needs |

(Kotter, 1990, pp. 3-8; Northouse, 2010, p. 10)

With respect to the DDC, there is one Executive Director who is responsible for both managing and leading employees, volunteers, downtown businesses, and the board of directors. Given the lack of organizational support (the Executive Director has one part-time assistant) and multiple stakeholders, the job of the Executive Director is a challenging one in that an effective and efficient balance between management and leadership is needed. The instructor should ask students to describe what they believe would be a typical day in the life of the DDC Executive Director and then break down those responsibilities and tasks into “management” versus “leadership.” Her day likely entails a multitude and variety of activities, including event planning and coordination, marketing and social media activities, and meetings with stakeholders, for example.

Then, the discussion should turn to the leadership and management problems within the DDC that the consultants observed (see page 8 of the case) and these can be discussed within the context of the framework in Table 1 above. For example:

- The DDC Executive Director seems to have gotten caught up in the day-to-day activities of planning and implementing the four annual events and lacked the long-term strategic management and planning and leadership necessary to accomplish important initiatives. For example, it is not known whether the events were successful or not because “success” had not been defined with specific, measurable metrics (except for mentions of the number of people who had attended an event in the newspaper). This would be a failure with respect to “controlling and problem solving.”
- One of the biggest obstacles to a successful DDC was the divide between the downtown businesses, where some businesses thought of themselves as part of Downtown Fletcher and others did not. The case offers no suggestions that the DDC Executive Director attempted to alleviate the rift. Her hesitance to move the DDC offices downtown is one indication of this. In this sense, her failure was with respect to “aligning people” and “motivating and inspiring.”
- Because of her failure to implement any aspect of the marketing plan, the DDC Executive Director also failed with respect to “establishing direction.”

Overall, the DDC Executive Director was more of a manager (at least when it came to short-term planning and implementation of events) and succeeded in some of those areas, but failed as a leader.

After failures are identified, it is natural that the discussion will move toward the students suggesting areas for improvement, both in terms of the DDC Executive Director’s management and leadership. Drucker’s (1990) book on managing nonprofit organizations and the theory of transformational leadership (see Case Question #4 below) both offer guidelines and suggestions that will serve as a basis for interesting and intriguing class discussions.

Drucker (1990) suggests the following general principles and practices for managing a nonprofit organization:

- Be committed to a long-term mission, take action in light of that mission, and be results-driven
 - Develop and implement strategies for marketing, innovation and improvement, and donor development
 - Understand your customers and potential customers and what is really meaningful to them
 - Define key performance areas and set and measure goals
 - Manage the relationships with the variety of stakeholders very carefully
 - Engage in a process of effective self-development
- 4. Transformational leadership has been proposed as a very good model for guiding leadership efforts in nonprofit organizations. Applying the four factors of transformational leadership – idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Riggio,**

Bass, & Orr, 2004) – suggest how the DDC Executive Director could have been a more effective leader.

As mentioned in Answer to Case Question #3 above, the DDC Executive Director failed as a leader. After the discussion has come to that conclusion, the question of how the DDC Executive Director could have been a more effective leader should be addressed. Here, framing the discussion around *transformational leadership theory* is suggested. This theory is a well-accepted one that has been researched extensively in for-profit businesses. The literature on nonprofit organizations, however, is limited. As Riggio, Bass, and Orr (2004, p. 52) write, "...transformational theory seems a particularly good fit for nonprofits, where commitment to the cause and contributing to the greater good of society are overriding themes." Riggio, Bass, and Orr (2004) present ten ideas for how nonprofit organizations can survive, adapt, and thrive in today's environment, the second on the list being becoming a transformational leader. Further, "it describes how leaders can initiate, develop, and carry out significant changes in organizations" (Northouse, 2010, p. 185).

Riggio, Bass, and Orr (2004) provide a good discussion and examples of applying transformational leadership theory to nonprofit organizations. Bass's conceptualization of transformational leadership includes four factors:

Idealized influence – Where leaders serve as idealized role models for followers by demonstrating high standards of moral and ethical conduct and commitment to the cause. To demonstrate idealized influence, the DDC Executive Director should be seen regularly patronizing and shopping at downtown businesses and events, as well as networking with downtown business owners.

Inspirational motivation – Where leaders articulate a shared vision and inspire followers to strive toward challenging goals. To demonstrate inspirational motivation, the DDC Executive Director should meet regularly with downtown business owners to discuss their needs and desires and solicit their active participation in marketing Downtown Fletcher.

Intellectual stimulation – Where leaders encourage followers to be innovators and creative problem solvers. To demonstrate intellectual stimulation, the DDC Executive Director should solicit downtown business owners and community members and leaders to work closely with the DDC to develop creative solutions to market Downtown Fletcher.

Individualized consideration – Where leaders coach or mentor followers to develop their leadership potential. To demonstrate individualized consideration, the DDC Executive Director should work more closely with the DDC Board of Directors and solicit a more active role in their leadership and marketing of Downtown Fletcher.

Three case studies of transformational leaders in nonprofit organizations are provided by Riggio, Bass, and Orr (2004, pp. 54-58). The case studies are good examples that the instructor

may wish to share with students and, in turn, provide guidance for students analyzing the leadership performance of the DDC Executive Director. The case studies are listed in Table 2:

Table 2: Case Studies of Transformational Leaders in Nonprofit Organizations

| Leader | Nonprofit Organization | Transformational Leadership Factors Typified |
|--------------------------|--|--|
| Father Rocky Evangelista | Tuloy sa Don Bosco Street Children Project | <ul style="list-style-type: none"> • Idealized influence • Individualized consideration |
| John Bryant | Operation HOPE | <ul style="list-style-type: none"> • Inspirational motivation • Individualized consideration |
| Jan Levy | Leadership Tomorrow | <ul style="list-style-type: none"> • Intellectual stimulation • Individualized consideration |

(Riggio, Bass, & Orr, 2004, pp. 54-58)

In the same manner, the students should be asked to generate examples of each factor with respect to the DDC and evaluate whether the Executive Director typified the factors and, if not, what she could have done to improve on a particular factor. Suggestions are provided above.

5. **Using various models of organizational change – Lewin’s (1951, 1958) three-phase model of change (unfreeze, move or change, and refreeze) and the learning organization model (Howell and Costley, 2006) – describe what the DDC Executive Director should have done to get this organization on track (no pun intended).**

The case lends itself well to exploring and analyzing various models of organizational change. While it may be difficult for students to assess specific attempts by the DDC Executive Director to initiate and create organizational change, it is useful to frame the discussion around theories of organizational change, comparing and contrasting the theories and discussing what the Executive Director *should* have done to successfully implement change and the marketing plan more so than what she did or did not do.

Howell and Costley (2006) discuss two models of organizational change which could be used to frame the discussion of this question. The first model is Lewin’s (1951, 1958) three-phase model of change – unfreeze, move or change, and refreeze. The three phases in the context of the DDC are as follows:

Unfreeze – Creating a motivation to change, perhaps due to an external threat that establishes a sense of urgency. In the case of the DDC, the fact that the Fletcher City Commission is questioning whether the organization should be funded again is a strong external threat. The DDC Executive Director should have felt this sense of urgency, used her charisma to communicate this threat to stakeholders, and communicated a vision of the organization to stakeholders. At this point in time, the consultants’ marketing plan offered

a vision for the organization but the DDC Executive Director did not seem to feel the urgency of the situation or the need to implement the marketing plan.

Change – Implementing change and guiding followers in new ways of behaving, perceiving, or thinking. The leader must have a plan of action with specific goals for followers and may enlist help from experts inside or outside the organization. With respect to the DDC, no move toward change at any level seemed to have occurred. The DDC Executive Director did not embrace the marketing plan as the vision for the organization, nor did she enlist the support of the board of directors.

Refreeze – Reinforcing the changed behaviors, processes, structures, technology, or whatever has been changed. Data confirms that the changes are appropriate and removes the sense of urgency the leader feels. With respect to the DDC, there is no change to reinforce, so no refreezing took place.

“Although the three phases may overlap, each one is important for a change to be successful... Leaders of change should attend to these three phases and the leadership behaviors they require to be effective in implementing major change in their organization” (Howell & Costley, 2006, p. 372). Students should discuss how each these phases could have been conducted to successfully implement the marketing plan.

The second organizational change model described by Howell and Costley (2006) is the *learning organization model* whereby the leader shapes the organization’s culture to encourage and facilitate continuous learning (Senge, 1990a; Senge, 1990b). A learning organization will continuously diagnose environmental needs and implement appropriate changes. Riggio, Bass, and Orr (2004) present ten ideas for how nonprofit organizations can survive, adapt, and thrive in today’s environment, the first on the list being becoming a learning organization. Senge (1990a) describes learning organizations as “organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together” (Riggio, Bass, & Orr, 2004, p. 20). For a nonprofit organization, it must have a shared vision among staff, volunteers, board members, and other stakeholders, create conditions for action, and not assume that the same theory or practice will be equally effective over time. For a leader of a nonprofit organization, it requires community building, commitment, and hard work. Senge (1990b) classified leadership roles in a learning organization as designer, teacher, and steward and summarizes the leadership behaviors needed in fulfilling the three leader roles in a learning organization as follows:

- Vision creation, including core values, purposes, and aspirations
- Directiveness regarding values, policies, and processes
- Participation regarding knowledge sharing, mental models, assumptions, and the learning process
- Supportiveness for individual development and creative learning

- Rewarding and recognizing improvements and breakthroughs
- Boundary spanning to keep the organization connected and informed
- Role modeling responsible behaviors, and dialoguing (Howell & Costley, 2006, p. 375).

With respect to the DDC, the Executive Director did not seem to attempt to establish a culture of learning or demonstrate a willingness to adopt new ways of doing things. Instead, the continued thinking that four events a year justifies the existence of the organization prevailed. Students should discuss how the DDC Executive Director might have more successful in implementing the marketing plan considering the leadership roles and behaviors suggested by the learning organization model.

6. What should the DDC Board President have done in terms of the organization's strategy, mission, and its leadership under the Executive Director?

In making recommendations for what the DDC Board President should have done, better answers will develop several alternatives and provided the pros and cons of each alternative.

Organization Strategy and Mission of the DDC

Students should consider and debate several alternatives. The possibilities include disbanding the DDC, redefining the DDC mission and undergoing a comprehensive strategic planning process for the DDC, or other alternatives.

Leadership of the DDC

Through the SWOT analysis and their analysis of management and leadership, students should recognize that the type of Executive Director needed by the DDC is one that is different from the current and previous directors. They should consider and debate several alternatives: fire the Executive Director (again), rewrite an Executive Director job description and search for a new Executive Director who meets those qualifications, or suggest other alternatives. Students should also consider the role of the Board in managing and leading the organization. The Board had not been active in those roles, and perhaps their "stepping up" to help manage and lead the DDC would have resulted in a more positive outlook and outcomes.

EPILOGUE

A few months after the consultants' plan was presented, DDC Executive Director Schaffer resigned once again, citing health reasons. The next month, a new executive director, Stephanie Brown, was named. Brown was a 2005 Fletcher State University graduate with a degree in communications. For about three years, she worked in the local TV industry and shot television commercials for many Downtown Fletcher businesses. Brown also had sales experience. She

worked in marketing and graphic design for the past six years, both in Fletcher and Omaha, NE, and said “that’s where my true passion lies.”

“I love event planning, and marketing and design—the creativity that comes with that. When I saw this position was open, I knew I wanted this job. I love Downtown Fletcher. Fletcher, as a whole, is just a wonderful community and the downtown is just so vital to the life of the city,” Brown said.

Four months after Brown, the new executive director, was hired, the DDC had not yet implemented the consultants’ marketing and branding plan. The DDC continued to minimally use Facebook and email to promote its events. A new event, The Taste of Downtown Fletcher, was revitalized after it had ceased operation three years ago and was held in the spring. The homepage on the DDC website now stated, “Surrounded by historic railroad tracks, Downtown Fletcher plays home to an array of businesses for shopping, dining, art and entertainment. We can’t wait for you to visit to see for yourself the beautiful treasure our downtown is.”

Finally, a few months later, the DDC announced a new name, The Tracks, and a new marketing plan to be implemented for Downtown Fletcher. “We really feel this marketing plan is something everyone can buy into,” Brown said. “We want people, when they hear The Tracks in Downtown Fletcher, they know exactly where to go.”

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APPENDIX

Handouts for Students

The Functions of Management and Leadership

| Management Produces Order and Consistency | Leadership Produces Change and Movement |
|--|---|
| Planning and Budgeting <ul style="list-style-type: none"> • Establish agendas • Set timetables • Allocate resources | Establishing Direction <ul style="list-style-type: none"> • Create a vision • Clarify big picture • Set strategies |
| Organizing and Staffing <ul style="list-style-type: none"> • Provide structure • Make job placements • Establish rules and procedures | Aligning People <ul style="list-style-type: none"> • Communicate goals • Seek commitment • Build teams and coalitions |
| Controlling and Problem Solving <ul style="list-style-type: none"> • Develop incentives • Generate create solutions • Take corrective action | Motivating and Inspiring <ul style="list-style-type: none"> • Inspire and energize • Empower subordinates • Satisfy unmet needs |

Sources: Kotter, J. P. (1990). *A force for change: How leadership differs from management*. New York: Free Press, pp. 3-8; Northouse, P. G. (2010). *Leadership: Theory and practice* (5th ed.). Thousand Oaks, CA: Sage Publications, Inc., p. 10.

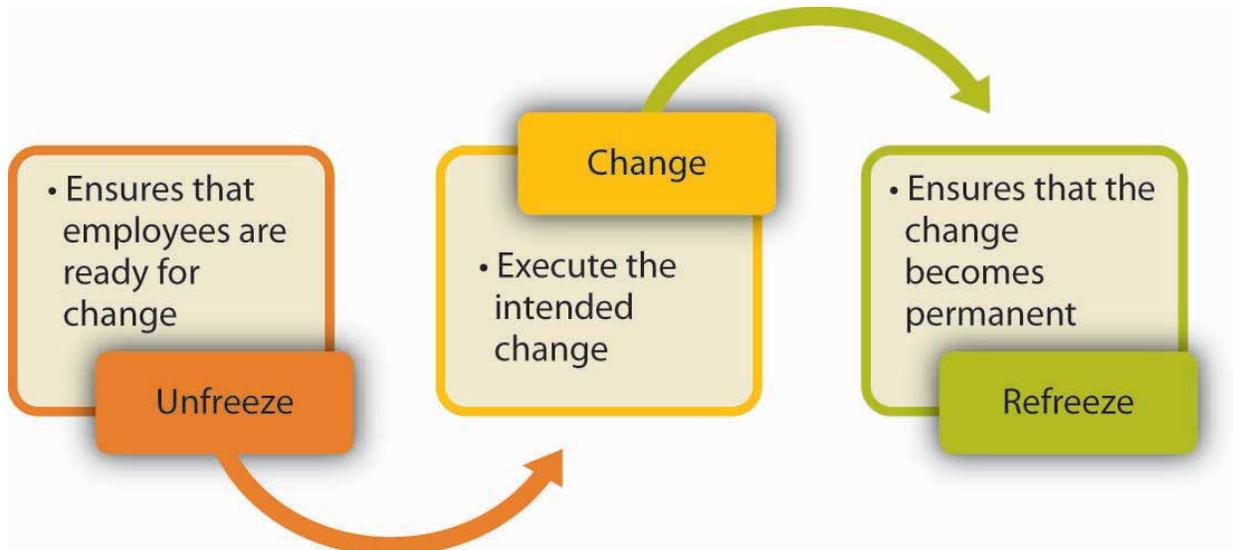
Four Factors of Transformational Leadership

- *Idealized influence* – Where leaders serve as idealized role models for followers by demonstrating high standards of moral and ethical conduct and commitment to the cause.
- *Inspirational motivation* – Where leaders articulate a shared vision and inspire followers to strive toward challenging goals.
- *Intellectual stimulation* – Where leaders encourage followers to be innovators and creative problem solvers.
- *Individualized consideration* – Where leaders coach or mentor followers to develop their leadership potential.

Source: Riggio, R. E., Bass, B. M., & Orr, S. S. (2004). Transformational leadership in nonprofit organizations. In R. E. Riggio & S. S. Smith (Eds.), *Improving leadership in nonprofit organizations* (pp. 49-62). San Francisco, CA: Jossey-Bass.

Lewin's Three-Stage Process of Change

This model assumes that change will encounter resistance. Therefore, executing change without prior preparation is likely to lead to failure. Instead, organizations should start with *unfreezing*, or making sure that organizational members are ready for and receptive to change. This is followed by *change*, or executing the planned changes. Finally, *refreezing* involves ensuring that change becomes permanent and the new habits, rules, or procedures become the norm.



Source: Management Principles 1.0 (<http://2012books.lardbucket.org/books/management-principles-v1.0/s11-organizational-structure-and-c.html>)

The Learning Organization Model: Leadership Behaviors Needed in Fulfilling the Leader Roles in a Learning Organization

- Vision creation, including core values, purposes, and aspirations
- Directiveness regarding values, policies, and processes
- Participation regarding knowledge sharing, mental models, assumptions, and the learning process
- Supportiveness for individual development and creative learning
- Rewarding and recognizing improvements and breakthroughs
- Boundary spanning to keep the organization connected and informed
- Role modeling responsible behaviors, and dialoguing

Source: Howell, J. P. & Costley, D. L. (2006). *Understanding behaviors for effective leadership* (2nd ed.). Upper Saddle River, NJ: Pearson Prentice Hall.