



## A FIO PARTNERS PERSPECTIVE:

### **Organizations That Learn Will Survive**

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There has probably been no previous time in history that nonprofit organizations are so in need of organizational climates that promote both critical and creative thinking. As the sector retrenches, and CEO's make tough decisions about who stays and who goes, it is easy to shift a culture, inadvertently, from one of accomplishment to a kind of paralyzed bunker mentality. At the very moment when every CEO needs each remaining employee to use every ounce of brains, intuition and creativity they possess, fear and insecurity about what the future holds can drive employees into a "head down, keep quiet, and keep out of sight" model of behavior.

So, what can a CEO do to maintain a powerful culture of inquiry despite the contraction of resources? One of the approaches I like best comes from Tony DiBella's *How Organizations Learn*. Written for for profit businesses, I have taken his list of what he calls "facilitating factors," and done some translation for nonprofits and this particular time in the sector's history.

This is a time of exponential change so the importance of scanning the environment for changes in fields of services remains. There are several areas of nonprofit practice that are undergoing re-engineering, particularly those that are funded by state government or federal Medicaid dollars. As well, change is coming

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from the shifts in consumer demand that are influenced by the economic upheaval and by other organizations choosing to close programs. Watching what competitors and collaborators are doing has never been more important. CEO's must help their managers and staff understand the value and importance of observing these changes and bringing those observations into discussions of strategy. Asking staff to pay attention, to be "eyes and ears," and to bring that information to the fore is critical.

CEO's must keep performance improvement on the agenda, despite cutbacks and increased stress. Monitoring for performance gaps should continue at every level of the organization. It is helpful to create a hierarchy of accountability to ensure the key success factors are watched at appropriate levels of the organization. That means that the CEO must encourage and guide the process of defining what "performance" is and insist that measurement both takes place and makes sense.

Due to cutbacks, you may have people functioning in new or expanded roles. It is the CEO's responsibility to create a climate in which people can identify mistakes they have made and learn from them. Survival in this environment will require experimentation and it is highly likely that your people will not "get it right" the first time, or perhaps, even the second or third time. The CEO has to make this experimentation acceptable. There is risk in this new world and risk averse organizations will not survive.

This is not the time to wipe out your training budget. In fact, this is the time to intensify learning opportunities. No money to do that? Training is a great collaborative opportunity. You run a training program and invite staff from other organizations to join yours...the conversation will be richer for it. When they

reciprocate, your people will benefit. Have everyone in your organization read the same book and get them together with you to talk about what they think they learned. Above all, show up at training and stay. Be part of the dialogue and be a role model for learning.

CEO's should be able to track how new knowledge comes into the organization, how it is disseminated, and, most important, the degree to which it gets used. In considering how to use training resources, make sure the knowledge that the employee will obtain is relevant and immediately useful to their work. Expect results from training and ask middle managers to determine whether there has been any application of new knowledge.

It is the CEO's role to insist on documentation of information related to performance. This is not about compliance data that your organization sends off to funders. This is about management information that actually gets used to change how practice occurs. There is no more powerful tool than setting specific targets for performance and that carries over to performance improvement. Despite cutbacks, it remains a critical leadership function to set specific objectives that require the organization to improve its performance in key areas.

Above all, don't feel so sorry for the pressure and stress you have had to create for your staff due to cutbacks that you forget to lead in this critical area.