



E-PARCC

COLLABORATIVE GOVERNANCE INITIATIVE

Syracuse University

Maxwell School of Citizenship and Public Affairs

Program for the Advancement of Research on Conflict and Collaboration

Guardian Ad Litem (GAL) of Madison County

TEACHING NOTE

CASE OVERVIEW

Guardian Ad Litem (GAL) of Madison County is a case study that examines the conflict surrounding a nonprofit organization that attempts to separate into two independent agencies. Because of declining finances, one agency (GAL) attempts to become independent from Family Solutions Incorporated (FSI) in order to survive the economic conditions around them. The case is divided into three sections. Section one provides an introduction to the case and a summary of the relevant actors and the problems that they face. Section two examines the negotiation and the obstacles to a successful transition. Section three shows how the culture of the organizations effected the separation and provides a summary of the conclusions reached by the negotiators. All three sections feature multiple actors including private sector supporters, private accountants, public officials, and nonprofit managers to demonstrate the importance of collaboration among stakeholders in nonprofit sector negotiations.

This teaching note summarizes the case, identifies major themes, and key points for instruction that may not be immediately evident in the case, and introduces two strategies for use in a classroom setting.

This case was an honorable mention winner in our 2010-11 “Collaborative Public Management, Collaborative Governance, and Collaborative Problem Solving” teaching case and simulation competition. It was double-blind peer reviewed by a committee of academics and practitioners. It was written by Trent Engbers of the School of Public and Environmental Affairs at Indiana University and Kristin Bishay, Monroe County Court Appointed Special Advocates Inc. This case is intended for classroom discussion and is not intended to suggest either effective or ineffective handling of the situation depicted. It is brought to you by E-PARCC, part of the Maxwell School of Syracuse University’s Collaborative Governance Initiative, a subset of the Program for the Advancement of Research on Conflict and Collaboration (PARCC). This material may be copied as many times as needed as long as the authors are given full credit for their work.

MAJOR CASE THEMES

- Management in the nonprofit sector requires collaboration among a wider range of stakeholders with often divergent needs, interests and skills.
- The culture of an organization impacts the way an organization sees the world. This includes its communication norms, patterns of enemies and allies, and the organizations self perception in a social context.
- This culture is created and sustained by the leadership of an organization. The professional training and managerial approach of organizational leadership has a dramatic impact on its success.
- Organizational change is a normal part of management in the public sector, but the approach to change impacts its potential for success.
- Conflict is a normal part of managing organizational change. However, focusing on positions over interest can lead to deadlock.

CENTRAL POINTS OF THE CASE

- FSI was at a critical financial juncture that required action by one or both of the programs.
- The separation of the GAL program would increase its likelihood of survival at cost to the FSI program.
- FSI had an advantage in negotiations. While they voted to allow the GAL program to separate, they could rescind that option with a board vote.
- The GAL board's advantage arose from FSI's public relations concerns about how they had managed the agency. Had it come to light that the GAL program had been funding other FSI initiatives it would have raised political and potentially legal concerns with funders.
- The negotiation for separation was conflict ridden due to both substantive issues around organizational finances and normative concerns associated with a general lack of trust.
- While FSI's board consisted primarily of content experts (i.e. mental health professionals), the GAL board represented a broad panel of small business owners, nonprofit experts, and content experts. Differences in the makeup of the boards contributed to differing strengths and cultural viewpoints.
- The GAL separation involved collaboration with a wide range of actors including internal managers, agency boards, independent auditors, external funders, the court system, and the local press.
- Financial distress caused the boards to become more involved in management of the organization. This both confounded and facilitated the separation.
- The substantive issues of the separation were easier to overcome than the normative issues of the separation.

USING THE CASE IN A CLASSROOM SETTING

This case can be used in either the undergraduate public affairs or masters of public affairs classroom. While the case tends to focus on nonprofit management, it can be used to demonstrate the importance of external stakeholders or the importance of collaborative problem solving in a number of public and nonprofit contexts.

The case is designed to be used in two alternative ways.

Option 1

One option is to introduce the case sequentially with students addressing a series of questions that are appropriate for each stage of the case process. This can be done within the class context with each section of the case assigned prior to the class where it is to be discussed or with each section introduced within longer seminar classes with time for students to read the sections between discussions. In this format, there are a number of questions appropriate for each section.

Section One is the decision-forcing portion of the case. Faced with a request to the board of directors to separate, students take on the role of committee members to recommend a decision on the future relationship between the GAL and FSI program. Specific questions that students should address include:

1. What should the committee recommend with regard to GAL's separation request from FSI?
2. What alternative solutions should the board consider in addition to separation?
3. What financial, legal, and social considerations were important in their recommendation?
4. What does the recommendation mean for the short- and long-term health of each program as well as for the needs of the Flowerton community?

Section Two introduces the primary concerns of the separation negotiation and the key actors in the new board. This section invites students to consider how conflict is negotiated and the role that stakeholders play in new and existing nonprofit organizations. Additionally, it probes issues of trust and conflict found in any negotiation.

1. What is your opinion of the board constructed by Kay Bishop? What are the board's strengths and weaknesses? How might a board constructed with different members lead to different outcome?
2. Given the tasks faced by the new GAL board that are listed in the case, what do you believe the new board is missing? What are the most important steps in forming a new nonprofit organization?
3. Which aspects of the negotiation appear to be the most contentious? Which are easily resolved?
4. How might the negotiation positions be rearranged into more productive issues?
5. What recommendations do you have for the parties in order to reach resolution?
6. What impact do the normative concerns have on the negotiation? If the normative situation were different, how would that impact the substance of the negotiation?
7. What steps could be taken to reduce the normative concerns of those involved?
8. What are the bargaining advantages and weaknesses for the new GAL board and the FSI board? Who holds an advantage in the negotiation?
9. In what ways does this section demonstrate the importance of collaboration in the nonprofit sector? While not explicit in the case, what individual and institutional actors are important in negotiating the separation and in the continued

management of GAL and FSI?

Section Three outlines how the negotiation unfolded. It examines the major obstacles that arose during the course of the negotiations and the solutions at which the negotiators arrive. This section invites students to evaluate the actions of the boards and to identify the role that culture and leadership played in resolving the conflict. These issues are much more implicit than in past sections, so students should be encouraged to make assumptions in light of missing information.

1. What is the appropriate level of involvement for board officers? Do financial concerns merit involvement with day-to-day managerial decisions or was the GAL board correct in remaining focused on larger issues of fundraising and policy?
2. How would you describe the culture of the GAL and FSI boards/programs? In what ways did these cultures come into conflict?
3. What was the role of leadership in facilitating this organizational change?
4. What social-cultural factors do you believe interfered with the agencies' ability to negotiate effectively?
5. In hindsight, what would have been the best course of action for the agencies?

If the cases are presented prior to the class where they are discussed, students should be encouraged to prepare a one page summary response to one of the guiding questions. This helps facilitate the discussion and avoids issues of groupthink that are prone to arise during class discussions. Another option is to assign students a role in the conflict (e.g O'Donnell, Bishop, or the GAL negotiating team) and ask them to discuss the conflict from their vantage point. They should be encouraged to evaluate the case in terms of the dominant themes of conflict, change, leadership, or collaboration.

Option 2

The second option is to introduce all three sections of the case at once. While this removes the decision forcing character of the case, it allows students the ability to understand the complexity of what initially seems like a simple choice. When the case is introduced in one segment, student should organize their response around themes in the case rather than decision points. This section discusses the major themes and introduces guiding questions and supplemental readings. Like with option one, this process works best when students are encouraged to write response papers prior to class discussion. The supplemental readings are beneficial to provide the students with a theoretical framework to answer the question.

Conflict

The case presents a fundamental conflict within an agency whose mission has become too diverse. While the agency had been successful in managing the diversity, the added tension of fiscal stress pushed this conflict to the brink. The internal conflict came to be manifested by a conflict between agencies who are struggling to define the future of the GAL program. Section two presents the major factors that arise in the interagency conflict. Questions to consider:

1. In what ways are the conflicts in section two articulated as positions and in what ways are they issues?
2. How might the conflicts be restructured to lead to a more productive negotiation?
3. How does the nature of the parties involved effect the conflict that they face?
4. In what ways are the conflicts represented in this case reflected of managing in a collaborative network and in what ways are they merely an extension of traditional corporate negotiations?
5. How might changes in the normative context lead to different outcomes? What could have been done to restructure the normative context?

Supplemental Readings

- Dasgupta, P. (1988). Trust as a commodity. (p. 49-72). In Gambetta, D. (ed) *Trust: Making and breaking cooperative relations*. New York: Basil Blackwell.
- Fisher, R. & Ury, W. (1983). *Getting to yes: Negotiating agreement without giving in*, New York: Penguin Books.
- O' Leary, R. & Bingham, L. B. (2007). *A Manager's guide to resolving conflicts in collaborative networks*. IBM Center for the Business of Government.
<http://www.businessofgovernment.org/pdfs/olearybinghamreport.pdf>

Organizational Culture

Organizations need to create a unified culture when they engage in collaborative action. Yet FSI was characterized by two programs with distinctly different cultures. The STC program employed primarily counselors who were invested in its therapeutic culture. Alternatively, the GAL program, while staffed by social service case workers, was surrounded by legal culture populated by lawyers, judges, and government bureaucrats. Likewise, the FSI board was primarily one governed by therapeutic norms, while the GAL board represented a much more heterogeneous makeup.

1. In what ways did the cultural differences among the actors affect the desire to separate once financial difficulties became evident?
2. How might the culture of FSI be reshaped so as to avoid the desire for separation?
3. In what ways can one observe cultural differences in the concerns and positions of the agencies during the negotiation?
4. Do cultural differences affect the management of an organization or is management culture-free? If management is culture dependant, than what factors are important?

Supplemental Readings

- Iles, P., & Auluck, R. (1990). Team building, inter-agency development and social work practice. *British Journal of Social Work*, 20, 151-164. “
- Khademian, A. M. (2000). Is Silly Putty Manageable? Looking for Links Between Culture, Management and Context. ” in J. Brudney, L. O'Toole and H.g. Rainey, (Eds). *Advancing PublicManagement: New Developments in Theory, Methods and Practice*. Washington, D.C.: Georgetown University Press.

Schein, E. H. (1992). *Organizational Culture and Leadership* (2nd). San Francisco, CA: Jossey-Bass.

Collaboration

It is easy to conceive of this as a case of two governing bodies competing over shared resources. However, a deeper reading of the case finds multiple actors at play. A brief reading of which would include the court system, major donors, the local newspaper, independent accountants, funding agencies such as the United Way, and board members who often play multiple roles in relation to the agency. The ability to work or not work together and the relatively fleeting nature of the relationships impact the success of collaborative management.

1. In what ways is this an example of traditional bureaucratic negotiation and in what ways does it reflect collaborative public management?
2. What characteristics of the actors and the situation fostered greater collaboration and in what characteristics stifled further collaboration?
3. How might the relationships among actors be restructured to improve collaboration?
4. What are the positives and negatives of networks for this type of problem solving? What alternative arrangements might have produced more optimal outcomes?

Supplemental Readings

Hardy, C., Philips, N., & Lawrence, T. B. (2003). Resources, knowledge and influence: The organizational effects of inter-organizational collaboration. *Journal of Management Studies*, 40(2), 321-347.

Koppenjan, J. & Klijn, H. (2004). *Managing uncertainties in networks: A network approach to problem solving and decision making*. New York, NY: Routledge.

McGuire, M. (2006). Collaborative public management: Assessing what we know and how we know it. *Public Administration Review* 66(6 Supplement), 33-43.

Public Relations

Many nonprofit organizations are uncomfortable or **weary** of engaging the media. Yet, effective public relations hold tremendous promise for improving nonprofit fundraising success and community support. The GAL board cultivated relationships with local media personnel in order to aid in fundraising. Additionally, they saw the media as a potential bargaining chip were conflict to escalate.

1. In what ways might FSI have better used the media to improve their bargaining position or to forestall the ultimate demise of the organization?
2. What factors do you believe underlie FSI's reservations about engaging the media around the separation? What are the benefits and drawbacks of this strategy?
3. What risks and benefits were present in the GAL board's decision to engage the media?

4. What are the best practices in media relations for nonprofit organizations? Examples to consider include a crisis management plan, prepared talking points, and media outreach mechanisms.

Supplemental Readings

Communications Consortium Media Center (2004). Guidelines for evaluating nonprofit communications efforts. Washington, D.C. : Communications Consortium Media Center, 1-19. <http://www.mediaevaluationproject.org/Paper5.pdf>

Pearson, J. (2004). Handling the media: Strategies for success. Edenbridge, UK: WiremillPublishing Ltd. http://www.quickguidesonline.com/product_info.php?cPath=22&products_id=52&osCsid=ccde34da525d9195dcb70ce71ffcbad7

The Voluntary Action Media Unit (2005). Culture clash? : An investigation of the relationship between charities, the media and commercial PR agencies. London : The Voluntary Action Media Unit, 1-57. http://www.vamu.org.uk/downloads/culture_clash.pdf

Board Role

The GAL and FSI boards were not only composed of very different sets of people, but employed very different strategies for managing the organization. There is no one right board makeup and differing board structures are appropriate for different organizations and different circumstances. Consider the agencies in the case and evaluate the appropriateness of the different strategies.

1. Given the diverse programs within FSI, how should the board be structured? What types of people should serve on the board and what are their roles in relation to the operation of the agency? What are the relative advantages of “working board” or “financial” or “symbolic” boards?
2. Should the situational context determine the makeup of the board and their relationship to the management of the organization? If so, how? If not, why not? What aspects of the situational context are important in this case?
3. Does O’Donnell’s involvement represent micromanaging or responsible stewardship? Should the GAL board have played a more active role in the management of the GAL program if for no other reason than a good faith gesture?
4. How else might the FSI board responded to the financial crisis beyond taking over direct operations? What advantages and disadvantages would this strategy hold?

Supplemental Readings

DeVita, M. C. (2006). Constructing a partnership. *Board Member*, 15, 8-11.

Flather, N. & Maksy, P. L. (2003). This is your final notice. *Foundation News & Commentary*, 44, 30-4.

Panel on the Nonprofit Sector. (2007). *Principles for good governance and ethical practice : A Guide for charities and foundations*. Washington, DC: Independent Sector.

Organizational Change

While the organization mission changed very little, the structural change for both FSI and GAL were significant. This change was driven by external and internal factors beyond current control (e.g. financial crisis, management turnover, mission drift), but the success of the change was dependant on an intentional change initiative. Consider the actions of those involved in the change and how they led to a more or less successful organizational change.

1. What factors lead to a more or less successful strategic restructuring among nonprofit organizations? To what degree are those factors present or absent in the present case?
2. How well did organizational change agents consider John Kotter's eight steps of leading change? If you were in charge of leading this change, how would you have utilized these steps?
3. To what degree was this change inevitable or could it have been forestalled. Consider the context of the change and evaluate how it impacted the separation?
4. How did differing conceptions of the separation impede the negotiation? How might these have been anticipated?

Supplemental Readings

Aldrich, H. (2001). *Organizations evolving*. Thousand Oaks, CA: Sage Publications.

Kohm, A. & La Piana, D. (2003). *Strategic restructuring for nonprofit organizations mergers, integrations, and alliances*. Portsmouth, NH: Greenwood Publishing Group.

Kotter, J. (1996). *Leading change*. Cambridge, MA: Harvard University Press.