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Wednesday, December 3, 2008



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Jobs Watch

Featured Jobs

Document Processor/Administrative Assistant, McCrory & McDowell LLC – Pittsburgh, PA

Program Director, Customized Solutions, Coro Center for Civic Leadership – Pittsburgh, PA

[Click here to view the full list of Jobs Watch postings](#)

Mosaic Tip

Practice Level 6 Leadership — especially in times of crisis

In *Good to Great* Jim Collins talks about Level 5 leaders, those leaders who are ambitious first and foremost for the cause, the movement, the mission, the work – not themselves. In *Forces for Good*, authors Crutchfield and Grant talk about Level 6 leaders – who not only put the organization ahead of themselves, they put the movement or the community ahead of their organization. In times of crisis, leaders of nonprofits (board and staff) must become Level 6 leaders and ask what is best not for their organizations but rather for the whole of the community.

Reader Poll

This Month's Question:

How would you describe the

Leadership in an Uncertain Economy

Our recently released study on Nonprofit Leadership Development discussed a set of core leadership competencies that effective leaders possess. Among these were:

- **Managing Vision and Mission:** Develops and shares a clear and optimistic vision for the future of the organization. Inspires and motivates employees to consider future possibilities and the wider purpose of the organization
- **Motivating Others:** Motivates others through empowerment and inspiration. Stresses the importance of staff and colleagues' work and builds an environment where employees, board and volunteers are fully dedicated to the work of the organization.
- **Ethics, Integrity and Trust:** Perceived as an honest individual with great integrity. Does not break confidences or engage in self-interested misrepresentations of the truth. Guided by a suitable battery of core values and sincerely-held beliefs that are maintained in the face of change and difficulty. Actively recognizes and promotes the organizations values.
- **Interpersonal Skills:** Builds strong work and community relationships and adjusts to how individuals, organizations, and cultures function and react; has the ability to sense how others are feeling and is able to foster rapport with a variety of people.

All four of these qualities are important, but even more so during the uncertain economic times that we now face. How well organizations survive these turbulent times has much to do with how their leaders react, remain composed and become a settling influence in times of crisis and change. We have added a few ideas to those proposed by authors Bill Catlette and Richard Hadden¹ on ways to motivate others during tough times:

- **They don't call it "human capital" for nothing; talent is the biggest asset your organization possesses.** Strong leaders recognize that the best way to weather turbulent times is with the willing engagement of a

articles published by Dewey & Kaye's Mosaic newsletter?

1. I never read the articles.
2. I read the articles, but it's nothing I haven't heard before.
3. The articles are okay.
4. I find the articles interesting.
5. I learn a lot from the articles.

Please [click here](#) to answer the question.

Results will be shared in the next full issue of Mosaic.

[Click here](#) for the results of last month's reader poll.

If you have a question you would like to submit, please forward it to:

dkopp@deweykaye.com.

The Impact of the Current State of Affairs on Communities and Nonprofits in 2009 was held at the Senator John Heinz History Center on November 11th and was sponsored by Dewey & Kaye, John Heinz History Center, Leadership Pittsburgh, The Pittsburgh Foundations and Pittsburgh Business Times.

Over 450 nonprofit and community leaders gathered to hear Jim Roddey, Jim Smith, Chuck Kolling, Kate Dewey, Diana Bucco, and Chris Briem reflect on the current economic and political conditions, and the implications for our communities and organizations.

An audio recording of the event is available on the McCrory & McDowell website under **Nonprofit Hot Topics** ([click here](#)).

Upcoming Events

The Jim Roddey Show

Monday, December 8th
2:00 pm – 5:00 pm
Pittsburgh Renaissance Radio
(1360AM)

Special guests during the 2:00 – 3:00 PM hour will include McCrory & McDowell's own **Kevin McQuillan** (film tax

focused, engaged, capable and optimistic workforce.

This means properly dealing with big tangible issues like avoiding hasty layoffs (unless survival is truly at stake), poorly thought out pay cuts (or no increases to already underpaid staff) and petty expense cutbacks. Strong leaders will also provide more intangible rewards such as recognition, words of encouragement, asking employees' opinions and saying "thank you."

- **Don't use fear as a motivator because it will always back-fire.** Asking people to be prudent about expenses is fine but injecting unnecessary fear, usually in the form of vague threats, into the workplace is not okay. The degree to which employees are concerned about *losing* their jobs is proportionate to the degree they are less focused on *doing* their jobs, and taking care of clients. They'll be looking at the organization's leaders for signs of worry, fear, and hope.
- **Don't try to work your way out of a short-term cash-flow problem by sacrificing learning and talent development.** Typically one of the first activities to be cut in a tough economy is the organization's training budget. If you are doing training that doesn't need to be done, then you should stop it anyway, but the notion that we can somehow help the organization by deferring necessary training, is truly short term thinking at the expense of long-term gains.
- **Communicate — the CEO or Executive Director must talk candidly and frequently with the staff about how the organization is doing.** CEOs shouldn't delegate this to mid level managers. Not knowing what's going on (and the resultant speculation) can be very distracting for most people. Every minute your folks spend wondering or worrying about self-preservation issues is a minute your clients or your mission are being ignored. Keep employees updated on a regular basis — even saying that you do not have any new information can be meaningful to employees and keep the rumor mill at bay. In your communications, strive to be specific rather than vague, candid rather than guarded.
- **Activate those interpersonal skills and get professional help if needed.** Going through a difficult economic period isn't just about sustaining the business. It's about sustaining the people who make up your organization. This is an excellent time to show that you care by spending a bit more quality time with the people on your team, listening to them and making sure they have what they need. This is especially true for those on the front line. Don't pry, but listen for what is happening in their personal lives. Has a spouse been downsized? A mortgage foreclosed on? Respond to the "me" issues as best you can; these issues include: Will I get to keep my job? How will my pay and benefits be affected? Will this affect my opportunities for advancement? What will be expected of me? What will change? Watch for signs of stress and make sure your employee assistance program is ready to respond and help where needed. If you don't have an employee assistance program, talk to your benefits provider about this surprisingly affordable benefit.
- **Confront your reality and understand the problems**

credits) and **Leslie Bonner** (leadership study & development of leaders in an organization)!

Pittsburgh Renaissance Radio highlights business news in the region and those who make the news. They offer a variety of business leaders who host and discuss pertinent topics of interest to the professional community. Most shows feature guests and callers who wish to discuss the topics of the hour.

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### **Nonprofit Finance 101**

**Wed., January 21, 2009**

**8:30 am – 12:00 noon**

**McCrary & McDowell  
Learning Center  
20 Stanwix Street  
Downtown Pittsburgh**

Nonprofit Finance 101 is designed to provide non-financial managers and executive directors a thorough introduction to nonprofit financial concepts. Using a case study approach, the class will examine one year in the financial life of a nonprofit organization, including the concepts of budget creation, variance analysis, and year-end financial statement interpretation.

Fee: \$125 per attendee

**Register today — Class is limited to 25 participants!**

**Call Sherry Parker at  
412.434.1335 or email  
[registration@mccmcd.com](mailto:registration@mccmcd.com)**

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Assessing and Adapting Your Leadership and Management Skills

Good leaders understand that, while fairness and consistency are important to managing, not all people want or need the same things when it comes to communication, delegation, and motivation. Understanding your personal leadership style and behaviors and then learning to adapt that style to meet the needs of different

your organization faces. Jim Collins in his book, "Good to Great"² talks about the need to confront the brutal facts of your current reality, whatever they may be, and to deal with them head on. This is not the time for leaders to pull the covers over their heads and hope that by morning all the scary things will go away. Identify and understand all of the problems your organization faces. In order to lead you must know what the problems are, so invite bad news. Don't shoot the messengers of bad news, instead invite them to help you solve the problems that the organization faces.

- **Display hope and optimism that you will prevail.** Collins cites the paradox that, at the same time you are facing your reality, you must also hold on to unwavering faith that you will prevail. The fact that things are getting a little rocky and people are scared and worried — including maybe you — is all the more reason to understand the research that indicates people need leaders who are positive and optimistic. A Harvard Business Review article entitled *Primal Leadership: The Hidden Driver of Great Performance*³ (Goleman, et al) notes that a leader's mood has the greatest impact on performance of employees when it is upbeat, and it must also be in tune with those around him or her. "Good moods galvanize good performance, but it doesn't make sense for a leader to be as chipper as a blue jay at dawn if sales are tanking or the business is going under. The most effective executives display moods and behaviors that match the situation at hand, with a healthy dose of optimism mixed in. They respect how other people are feeling — even if it is glum or defeated, but they also model what it looks like to move forward with hope and humor." The operative threesome here is "optimism", "hope" and "humor". **Leaders are dealers in hope.** No matter your political views, you must admit that the recent Obama campaign theme, "Yes We Can" was powerful motivation.

About the Author: [Leslie Bonner](#) is a Senior Consultant at Dewey & Kaye, a McCrary and McDowell Company. She consults on strategic planning and leadership issues as well as organizational and team development. For a copy of the Nonprofit Leadership Development Study visit: <http://www.mccmcd.com/assets/documents/DKNonprofitLeadershipStudy.pdf>

1. *Contented Cows Give Better Milk*, Bill Catlette and Richard Hadden
2. *Good to Great*, Jim Collins
3. *Primal Leadership: The Hidden Driver of Great Performance*, Daniel Goleman, et al

Dear DK Consultant

Dear Dewey & Kaye:

I'm a new addition to my agency's board of directors and I was a bit confused by the financial discussion at the last

employees is critically important to both leaders and managers. Dewey & Kaye will be offering a personal leadership/management assessment and workshop in early 2009. Stay tuned for more details.

Nonprofit Leadership Development Study Now Available

Dewey & Kaye has just published a nationally funded study that suggests ways to identify and grow nonprofit leaders. The study proposes a leadership development model that could be used by communities, sectors, individuals, and organizations to overcome the potential leadership deficit in the nonprofit sector. A common set of leadership competencies is suggested, along with insights into how nonprofit CEOs have developed their leadership skills. A practical model for identifying, assessing and developing emerging leaders is provided along with tips for boards, succession planning, grantmakers, and those who aspire to the leadership role. For more information or to receive an electronic copy of the study send an email to Leslie Bonner at lbonner@deweykaye.com or [click here](#).

Mosaic Subscribers

Since our last issue, [20 new subscribers](#) have joined the Mosaic community!

board meeting. In particular, the terms "restricted revenue" and "unrestricted revenue" were thrown around and I was too embarrassed to interrupt the meeting to ask what they meant.

*Signed,
Baffled in the boardroom*

Dear Baffled:

Thanks for submitting your question. Unlike for-profit businesses, nonprofits often receive revenue in the form of donations. When these donations carry restrictions from the donor on how they will be used, the funds donated are considered "restricted". Some typical donor restrictions limit the funds to be used only for certain projects, for certain groups of people (e.g. children, the elderly, etc.) or only after a certain passage of time. These restrictions can either be temporary or permanent.

"Temporarily restricted" funds have a donor-imposed restriction that permits the donee organization to use up the donated assets as specified and is satisfied either by the passage of time or by actions of the organization. For example, a donor donates \$1 million for a new library but specifies that the donation can only be spent once the organization raises an additional \$1 million. In that circumstance, the donation would be considered "temporarily restricted" and could not be used until the organization raised the additional \$1 million, at which point the funds would become "unrestricted" and it could be expended by the organization.

"Permanently restricted" funds have a donor-imposed restriction that stipulates that the funds be maintained permanently but permits the organization to use up part of all of the income (or other economic benefits) derived from the donation. A common example of permanently restricted funds is a nonprofit organization's endowment. Typically, the nonprofit can spend the interest income from the investment in any way (as "unrestricted revenue") but cannot spend the principal of the investment due to a permanent restriction.

By contrast, "unrestricted revenue" is not restricted in any way by donors and can be used for any (legal) purpose the organization chooses. This revenue category includes donations that weren't limited in any way by donors as well as income from the sale of goods and services and other sources.

Dewey & Kaye is presenting a half-day course titled "Nonprofit Finance 101" on January 21st that I think you would find very useful. The course is designed for board members, program directors and virtually anyone on your nonprofit's staff that could benefit from deeper understanding of finances. This introductory course will cover the basics of nonprofit financials, including creating and interpreting budgets as well as understanding year-end financial

statements. To register, email registration@mccmcd.com or call Sherry at 412.434.1335.

Shawn Sheridan specializes in nonprofit strategic business planning. Contact Shawn at ssheridan@deweykaye.com.



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