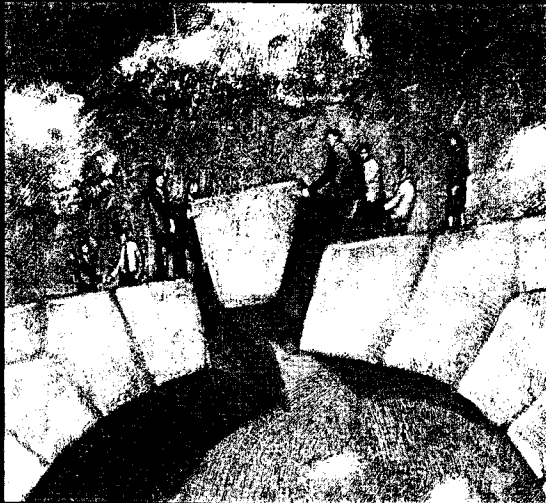


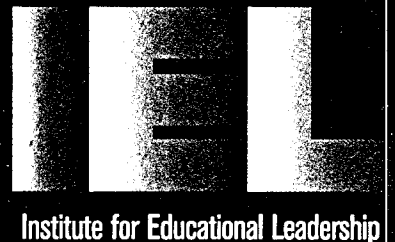
Business Leaders and Communities **Working Together for Change**

Martin J. Blank and George R. Kaplan



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Institute for Educational Leadership

About IEL

The Institute for Educational Leadership (IEL) — a nonprofit, nonpartisan organization based in Washington, D.C. — has provided policy and leadership assistance to people, organizations, and institutions since 1964. IEL's mission is to help improve educational results and the well-being of children and youth. IEL accomplishes its mission by supporting, informing, and connecting leaders from every sector of our increasingly multiethnic and multiracial society.

IEL's work focuses on such issues as preparing and supporting diverse leaders; strengthening school-family-community relationships; connecting and improving the policy, program, and practice systems that support children and youth; and increasing community decisionmaking capacity. In these areas, IEL provides technical assistance, creates forums for dialogue, hosts conferences and workshops, runs leadership development programs, designs and implements demonstration programs, conducts research, and disseminates publications and manages networks among diverse stakeholders. At the heart of IEL's effectiveness is the ability to bring people together at the local, state, and federal levels to find solutions across policy, program, and institutional boundaries.

Copies of the report are available for \$15 prepaid; \$2 for shipping and handling will be added if billing is requested. All orders must be received in writing by fax, e-mail, or mail. Contact:

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Martin J. Blank and George R. Kaplan
Institute for Educational Leadership

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Acknowledgments

The Institute for Educational Leadership (IEL) wishes to express our deepest appreciation to the Annie E. Casey Foundation for its generous support for this publication. IEL has long believed that business leaders have a unique and increasingly important role to play in creating and sustaining initiatives focused on improving the education and well-being of children, families, and communities.

The experience of the 22 business leaders whose work is described in *Business Leaders and Communities Working Together for Change* is powerful testament to that belief. We are grateful for the time these private-sector leaders have given to this project, but appreciate even more the energy and deep commitment they bring to their community work.

Martin J. Blank, IEL's director of community collaboration, and George R. Kaplan, a writer with a long-standing relationship with IEL, are to be congratulated for writing this document in such a lucid and succinct manner. We also wish to thank Donna Stark, our program officer at the Casey Foundation for her continuing support and Casey Vice President Ralph Smith for his vision in asking us to pursue this work.

We trust that *Business Leaders and Communities Working Together for Change* will galvanize other business leaders to participate in efforts to improve the well-being of children, families and communities, and that it also will assist other community leaders to recruit business leaders to these efforts.

IEL will continue to pursue work in this arena as part of our ongoing effort to connect the public and private sectors in joint enterprises to address the complex challenges our society faces.



Michael D. Usdan
President

Table of Contents

Introduction	4
The Challenge	6
Where Business Can Make a Difference	9
Singular Leaders	16
Why They Serve	19
Empowerment: "A Wealth Creation Game"	23
The Bureaucracy: "Good People Trapped in a Bad System"	26
Qualified Help Available	29
Some On-the-Job Lessons	32
Roster of Participants	37

Introduction

The 1990s have not been the best of times for improving the well-being and prospects of America's low-income children, families, and communities. With funding levels down and a distrust of government and its solutions evident across the country, it is plain that new kinds of support may be welcome and beneficial.

One such source — a growing number of community-minded business leaders, some still heading companies of all sizes and some technically retired — has begun to make its presence felt in a variety of settings. The combination of leadership, problem-solving competence, and organizational savvy that these executives are providing shows high promise in such domains as reforming public human service systems, spurring community and economic development, and promoting education reform as well as in the broader, if somewhat elusive areas of public policy and advocacy.

Until now, information on this movement has been largely anecdotal. We are relatively well-informed about the contributions the private sector is making to help public education, but there has been far less publicity or data on its expanding role in human services and community development. As a start toward gauging what is actually happening where business leaders are on the scene and to ascertain where this trend may be headed, the Annie E. Casey Foundation asked the Institute for Educational Leadership (IEL) to conduct and report on interviews with business leaders who are currently involved in these activities.

The 22 respondents numbered five women, two of them Hispanic chief executives of businesses they founded; two Hispanic men, one an investment financier and the other the owner of a food-processing and distribution business; three African American men, two of whom had left successful business careers to run community-based organizations; four bankers (including the third African-American man) or top officers of financial services organizations; three recent heads of Fortune 500 companies; two who have led corporations only slightly smaller; and three former CEOs of major regional firms.

Enriching the interviews was a subsequent two-day discussion at the Baltimore headquarters of the Casey Foundation, at which nine of the original 22 respondents, top deputies of two others, several independent experts, and the senior staffs of the Casey Foundation and IEL provided a range of additional viewpoints.

Business Leaders and Communities Working Together for Change has several goals: to present an overview of what these corporate leaders have been doing in and with high-



poverty communities; to describe the kinds of skills and leadership attributes they bring to this work (and how these qualities apply in settings far different from those of the corporate world); to identify their personal and organizational motivations; and to portray their front-line perspectives on the communities and bureaucracies with which they deal.

Business Leaders and Communities Working Together for Change also aims to spotlight some of the strategies that could help draw executives closer to taking active roles in helping solve the complex problems of communities. In addition, it should prove informative to community leaders and senior human services professionals seeking to broaden their bases of support to include business interests.

We know from the experiences of these 22 business leaders that helping children, families, and neglected neighborhoods can be an immensely rewarding personal experience, as well as a genuine benefit to people and organizations that need expert, thoughtful assistance. Such assistance also can yield results for participating companies, although this is not usually a primary objective. These results include bolstering companies' public images and creating long-term profits due to improved economic prospects in targeted communities.

The Annie E. Casey Foundation and IEL hope this report will help stimulate the interest and concern of executives who may not be quite sure how they might apply their corporate and personal abilities to assisting children, families, and communities. One leader called his time as a reformer "a joyful experience." The collective message of the 22 executives who provided the insights in *Business Leaders and Communities Working Together for Change* is that it can be that and more. We are grateful for their time and commitment.

The Challenge

Helping underprivileged children, families, and communities be all that they can be is as American as a Big Mac. Sadly, we do not always do it right. We neither invest the necessary resources nor do we effectively use those that do become available. Far too often, governments and nonprofit organizations find it difficult to work together in a straightforward way toward achieving this shared good.

Whether justified or not, the common wisdom holds that the largest investor of all, the federal government, has done a rotten job and that state and local agencies are not far behind. Such publications as Lisbeth Schorr's *Common Purpose* (1997), the Rockefeller Foundation's *Stories of Renewal: Community Building and the Future of America* (1997), and the U.S. Department of Education's *Together We Can: A Guide for Crafting a Profamily System of Education and Human Services* (1993) describe programs that have worked, but they are only marginally optimistic at best about prospects for across-the-board improvement.

One promising possibility to help in this difficult but ultimately rewarding task is to recruit a markedly different force in American life, the nation's business leaders. Some corporate executives already are assisting children, families, and distressed neighborhoods. To expand their numbers, we need to know much more about their work, its rewards and frustrations, and what motivates them.

The next step is to spread this information. A Midwestern businessman with a sterling record of constructive work in school reform efforts commented that many in "the CEO community aren't that well-informed" about what is happening in the nation's neighborhoods or what roles they might play in peoples' lives. Likewise, the larger field of family- and community-oriented service providers and public officials is often less informed about the business community's role than it should be.

So far, the literature has not identified the business chiefs who are presently involved as being more or less guilty than anyone else of underperformance in assisting families and communities. But neither have they escaped criticism. While hailing "the synergy between corporate partners and community-based leaders," to take one example, the Rockefeller report also reproached "the corporate sector" for failing to furnish "labor market connections for the unemployed in target communities." This is a difficult feat under any conditions, but it is an even more challenging one in what the *Chicago Tribune's* Merrill Goozner described as "a landscape dominated by abandoned

factories, boarded-up housing, and decayed retail strips where unemployment, underemployment, and poverty rates remain sky-high.”

The nation’s business elite, including such umbrella bodies as The Business Roundtable, the Committee for Economic Development, and the National Alliance of Business, have long since spoken out about helping the needy in a cornucopia of highly publicized reports analyzing what has gone wrong in high-poverty neighborhoods and how to do a better job of helping them. In at least one key sector, public education, they have pitched in with countless tough-love prescriptions, on-the-scene help (there were reported to be some 150,000 school-business “partnerships” of various types in 1997), and gifts of cash, equipment (in recent years, most often computers), and expertise in both content and management. Early returns suggest that something similar in human services also may emerge from efforts typified by “America’s Promise,” the nonprofit group headed by General Colin Powell that was established at the 1997 President’s Summit for America’s Future in Philadelphia.

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At a time when American business is playing a relatively small role in strengthening communities, the nation as a whole has been enjoying a time of remarkable prosperity. The stock market has been attaining once-unimaginable levels. College endowments have soared to over \$150 billion. Foundations saw their holdings grow by 22 percent in 1997 alone. And an intergenerational transfer of as much as \$9 trillion from the World War II generation to its children is already taking place. Yet poor neighborhoods are still poor, and according to the Annie E. Casey Foundation’s *Kids Count 1998*, the poverty rate of children was a lofty 21 percent in the 1990s. The rising number of gated suburban enclaves seems to underscore increasing rich-poor disparities in American society. Increasingly, too, poverty exists next door to wealth. The sociologist Alan Wolfe reported in *One Nation, After All* that 36 percent of Americans in poverty now live in suburbs, 42 percent in cities, and 22 percent in rural areas.

It is difficult to quantify the effects of downsizings, outsourcings, and relocations on populations living at or near the margins, but they surely have not helped already-poor families and their neighborhoods. The list of social, educational, and economic blights in today's high-poverty areas remains distressingly long.

None of this makes helping needy communities an easy job. Business leaders who have been willing to pitch in have found that it takes flexibility, energy, and guts. That these accomplished and successful people have moved beyond the materialistic, individualistic values of the times and believe that their assistance can make a difference is in itself inspirational. Some have made the adjustment comfortably. For others, the passage has been hard. A sampling of observations from those who have been there should be instructive and hopefully persuasive to others whose talents are sorely needed in high-poverty quarters.

Where Business Can Make a Difference

When these business executives talk about “working in (or with or for) the community,” the odds are that they are not touting the satisfactions of tutoring inner-city children or ladling soup in shelters for the homeless. Though some high-level executives will always volunteer for such jobs, people of the stature of the IEL/Casey group of 22 community-minded leaders are more likely to furnish the kinds of assistance that capitalize on using the skills and vision that got them to the top of their fields in the first place. Unsurprisingly, these are the qualities that high-risk communities and their populations need and value most.

Nearly all of the 22 private-sector representatives IEL interviewed see their contributions as providing dimensions not otherwise available to low-income neighborhoods and populations. Typically big-picture thinkers and successful organizers, most of these men and women work in the areas of **reforming human services systems, community and economic development, improving schools, advocacy and policy-shaping**, and simply **wielding influence**. These categories often overlap as business leaders grapple with the staggering problems of high-risk communities and families. Thus a school reformer also is, almost by definition, an advocate. A community-focused business leader trying to unwind the tangle of a community’s financial accounts also may quickly become the reigning expert on more effective ways of delivering social services or raising funds. It is not uncommon for these experienced CEOs to create new organizations for causes that fall between the cracks, develop new private-sector contacts, or establish additional supporting networks. And these executives wield serious influence wherever they alight. The potential for their innovation and creativity is virtually unlimited, as the examples that follow attest.

Reforming Public Systems

The respondents who can be classified primarily as systems reformers have their work cut out for them, but they are making their mark. In Georgia, **Cecil Phillips**, who finances and develops properties as CEO of Phillips International, LP, also heads the state’s Policy Council for Children and Families. This 19-member group has statutory responsibility for reforming how state services are delivered, especially to Georgia’s less prosperous counties. Optimistic and outgoing, Phillips nevertheless believes that “public service has really spoiled its milk” and that if reform is to occur, people like him will have to “bring the perspective of a bumper sticker that says ‘Lead, follow, or get out of the



way.” To **James Renier** — the Minneapolis-based former CEO and chairman of Honeywell, Inc., who heads a national campaign to replicate the Success by Six program for preschoolers — changing the way human services work (or don’t work) means forcing change on people who have considered their jobs inviolate and the systems in which they function immune from change.

In Illinois, **Gary MacDougal**, an early retiree from running “a Fortune second 500” company, leads a task force charged by the governor (and mandated by the state legislature) with reorganizing human services-delivering state agencies within one year. This has not been an easy task. As MacDougal expressed it, “The state is on Beta and the city (Chicago) is on VHS.” And in Kansas City, Mo., **Bert Berkley**, chairman of Tension Envelope Corp., and **Landon Rowland**, CEO of Kansas City Southern Industries, have been prime movers of the Local INvestment Commission (LINC), a widely hailed model for changing the way the state’s social services are delivered to children, families, and neighborhoods in the city.

Berkley, who had already helped reorganize the local United Way, said about LINC: “The most surprising and rewarding thing is that once you get an idea and get community people involved, the best thing you can do is get out of the way, because they will do a lot better job than you can do individually.” Rowland echoed this sentiment, adding “Governments are not competent to address change in quite the same way as private enterprise. Government solutions frequently become ossified, not flexible enough to address real changes in the marketplace.”

Community and Economic Development

Using a broad definition of community and economic development, it could be argued that all 22 executives have been somehow involved in this agenda-topping task. But several have it as their primary focus, none more strongly than **Catherine Bessant**, president of NationsBank Community Investment Bank in Charlotte, N.C. Her operation is deeply involved in building and rehabilitating houses and apartment complexes. Unlike many other banks and financial services organizations, NationsBank underwrites local centers that “work to improve the lives of the residents.” In the Dallas neighborhood of Fair Park, for example, Bessant’s organization crafted a master plan with residents in which each individual had a role and everyone had a stake in the plan’s success.

In Chicago, **Randall Hampton**, a 54-year-old retiree who “just couldn’t stay on the sidelines,” gives much of his time to Akhenaton, an organization that owns, manages, and rehabilitates properties for mostly African American low- and middle-income families in the Bronzeville area on the South Side. In Oklahoma City, **John Lopez**, chairman and CEO of Lopez Foods, Inc., has been a prime mover in the Latino Community Development Agency, which runs community centers and a wide range of activities.

Alden McDonald, CEO of Liberty Bank and Trust Company, the oldest and largest African American-owned bank in New Orleans, has been immersed in financing affordable housing and opening doors to minority businesspeople. In addition to countless other community-oriented activities, he has been a prominent backer of training programs for minority youth. He is particularly proud of his bank’s trailblazing record in securing second mortgage money for low-income, mostly African American homeowners.

“Government solutions frequently become ossified, not flexible enough to address real changes in the marketplace.”

In Washington, D.C., **Terence C. Golden**, CEO of Host Marriott Corporation, is widely recognized as an indefatigable activist. He concentrates many of his efforts on the worst-off neighborhoods because, he asserted, “Our intent is to fulfill a responsibility we have to our community, to help and support it, and to be a participant in change.” He added, “We also want to give our employees some sense that the company is involved in more than making money.”

Occupying a unique niche is **Daniel Villanueva** of Los Angeles, one of the country’s most successful Latino entrepreneurs and investors. A strong partisan of community-building, Villanueva specializes in catalyzing networks of like-minded leaders and activists around causes beneficial to the low-income Hispanic population of southern California. But he is not happy with the performance of some emerging minority-group business leaders who, he asserted, “are not stepping up to the plate and getting involved in the community. The easiest thing is to stay out of it because it’s a lot of work.”

Improving Schools

The travails of the nation's public schools are a ceaseless worry to the 22 leaders, so much so that much of their public service is aimed at seeing schools upgraded. Several of the activists described urban school systems as "basket cases," and they found working with their "bloated bureaucracies" a deeply frustrating experience. Though some have climbed Rube Goldberg-style hierarchical ladders to the top rungs of their own enterprises, they found the administrative apparatus of most school systems to be even more cumbersome, nearly always closed to fresh ideas, and with few exceptions, a waste of taxpayer dollars.

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Although it would be nearly impossible to determine how many community-minded business leaders choose to brave the quicksand of school-related issues, the number is probably high. Eight of the respondents in this survey have taken that route — or the parallel path of promoting children's causes, and they represent a broad range of approaches. Though all are deeply concerned about what goes on in classrooms, they have been more successful working on larger issues where their managerial and organizational abilities seem to be a better fit.

John Morley, former head of Reliance Electric in Cleveland, Ohio, has become a central figure in reforming that city's academically and financially ailing school system. After several years at this thankless job, he noted, "It's particularly important to understand where the points of influence are" and to make sure that education reform is tied closely to community-based economic development in which residents play a key role. **Kent C. (Oz) Nelson**, retired chairman of the board and CEO of United Parcel Service, views educational change from a slightly different vantage point. He served as chair of the highly praised Partnership for Kentucky School Reform, which he put together with David Jones of Humana and John Hall of Ashland, Inc. Nelson is convinced that the support of these three corporations contributed heavily to the success of the state's

nationally admired reform plan. The three corporations made a decisive 10-year commitment to improving Kentucky's schools and displayed credibility that, as Nelson put it, "politicians alone couldn't deliver." Their achievement is one of American education's success stories of the 1990s.

Cathy E. Minehan, president and CEO of the Federal Reserve Bank in Boston, who is active in "the interface between public education and adult training and the private sector" observed that her status as a respected banker has been a big help. "There's a difference in cultures," Minehan said, "and I don't know whether someone straight out of the education establishment would be able to get away with saying, 'No, you can't do it this way; you have to do it this other way' as easily as someone in my position can."

Kenneth Lewis, also an early retiree from a successful business career, occupies a unique place within the education category. A long-time political activist, he found himself becoming increasingly involved in the work of the Oregon Community Foundation in Portland and then in the local program of the New York-based "I Have a Dream" Foundation. Lewis sponsors a group of elementary school children in or close to poverty whom the foundation has pledged to support through college as long as the children do their part. In this role, he has become a mentor and even a surrogate parent for students whose parents "are so involved in fighting their demons that they don't have time to worry about their children." Eventually, Lewis became chairman of the board of the national foundation.

Three members of minority groups have been more involved in direct assistance. One of these is **Reginald Dickson**, chairman of the board of Buford, Dickson, Harper & Sparrow, a Missouri business investment firm. He is the co-chair of Family Investment Trust, Missouri's state-wide social services reform vehicle, and has been president and CEO of INROADS, Inc., a national career development organization that identifies and prepares talented minority-group youth for jobs in business and industry with the ultimate objective of getting them onto executive tracks. In Chester, N.J., **Deborah Rosado Shaw**, a native of Spanish Harlem, is president of Powerlink, an advisory firm on diversity issues. She also heads Umbrellas Plus, a supplier of private-label and promotional furniture and accessories.

Teresa McBride, CEO of McBride and Associates, an Albuquerque-based systems integration company, has established College Bound, a nonprofit foundation that works to reduce school dropout rates. College students work as "facilitators" in grade-school classrooms; during a series of visits, they talk about college life and career preparation,

the paths they took, and the impact they expect college to make on their adult lives. "It is not enough for a child to say, 'I want to be an architect,'" said McBride. "They must understand that being able to draw is not enough. Understanding math is also part of the game."

Advocacy and Policy Shaping

Any corporate leader who devotes time and energy to helping high-risk communities is almost inevitably cast in the role of cause advocate or policy-framer or both. Some, however, gravitate naturally to these roles when they become involved with needy communities and families. **William S. Woodside**, chairman of the board of Sky Chefs, Inc., has worked at both ends of the spectrum. He has volunteered in "the underbelly of urban culture" in New York City's high-crime areas. In recent years Woodside has served as the versatile board chief of the Arizona Prevention Resource Center and advisor to a governor's task force on increasing the effectiveness of the social services in the state's cities, towns, and tribal lands.

They often come to influence the character and sometimes the fate of the enterprises with which they work, even though the executives are not in the chain of command.

Advocacy has become a central feature of the work of **Douglas Price**, president of FirstBank of Colorado in Lakewood. Price is a powerful backer of child-care reform, asserting that "the full cycle of change involves advocacy and action." A father of two grade-school-aged children and long-time volunteer, Price helps in his community, has served on the Colorado Commission on Early Childhood Care and Education, and has been appointed to a six-member national panel that publicizes stories about successful corporate child-care efforts.

Paul O'Brien, the former president and CEO of New England Telephone in Boston, has taken business-led advocacy to a new level as a hands-on legislative lobbyist. O'Brien has obtained legislative and financial support for child- and school-related causes, particularly in his capacity as co-chair of Massachusetts Promise, the state-level body estab-

lished following the 1997 Presidents' Summit promoting volunteerism. Experience has taught him that "any person who heads a major corporation with significant economic power will at least get a hearing, regardless of their personal skills. People in the legislature will listen to them, if for no other reason than that they are a source of contributions. So there is a power, a sheer muscle, that exists even with legislators who may not be pro-business at all."

Wielding Influence

Viewed as a whole, what these people are doing is not the type of assistance that communities ordinarily receive from governments (or from private donors, foundations, or other nonprofits). Any kind of help from business interests, even if it is not in cash or goods, automatically places recipients in a preferred position. They are almost immediately perceived as being better off than they were, both tangibly and politically.

Most of the men and women interviewed for this report are not comfortable playing second fiddle. They usually expect to lead, make decisions, and influence what happens wherever they invest time and energy. When they begin working on community initiatives, they do not anticipate taking orders from anyone, above all from careerists whose knowledge of their fields may be formidable but whose horizons, most business leaders believe, have been hopelessly narrowed by the systems in which they serve.

These decisionmakers, who have been so successful in their own bailiwicks, rarely exercise direct control over the finances, personnel, and even the "product" of the agencies and programs they assist and promote. Nevertheless, they often come to influence the character and sometimes the fate of the enterprises with which they work, even though the executives are not, in their vernacular, in the chain of command. Still, they can wield enormous clout, if only as seasoned promoters of such causes as improving management systems in schools or accountability in the work of government offices.

Singular Leaders

The respondents possess a well-developed social conscience combined with a drive to act on it that is not always visible in our larger corporations. When called for, they also are ready with the requisite jolt of competitiveness, a quality not usually valued by social service-providers. That these ingredients contributed to the spectacular accomplishments of the American economy in the 1990s is indisputable. How or even whether they can be harnessed to improve life's prospects for our low-income population is less obvious. But the early returns from the work of these leaders provide at least a glimmer of hope.

"A CEO is the closest thing we have to royalty in terms of power within a small world," said one interviewee. "But you can't act like a traditional CEO in the community. There can be no barking orders. You cannot act as though you know everything. Fitting in is not easy even when you have been successful in business and have years of experience in the issues and causes that affect communities." In other words, even the most accomplished corporate bosses must be prepared to work differently if they are to be effective community partners.

Key Qualities

The 22 leaders have shown most of the qualities that contemporary business leadership demands, and most of these attributes have been on display as they work to help needy communities and their families. We take it for granted, for example, that corporate leaders possess a healthy amount of self-esteem and self-confidence, and these characteristics were certainly on friendly display throughout the interviews. It also was evident that like their peers across the country, they can be impatient. To their credit though, most acknowledged that there would have been no point in expecting quick miracles in their work with high-poverty communities.

These leaders are risk-takers and tough negotiators. They are never truly satisfied. The competitive urge that has helped them succeed in their fields compels them to keep trying to do better. It is a drive to excel and to perform at the highest possible level. They demonstrate daily in their community work that, as one asserts, they can "take something that doesn't exist and create it." Most believe that they are leaders with "people skills" who know how to produce and sell a product and handle themselves effectively, whether working one-on-one or with groups of all types in different places and situations.

In contrast to executives of an earlier time, an overwhelming majority of today's business leaders, including the respondents, did not inherit their companies. Likewise,

their paths to the top were not eased by “old tie” networks of family, well-placed friends, or Ivy League college classmates. Only a handful attended the colleges and universities that are as well known for the quality of the contacts and networks they can provide as for the quality of their academic programs. Having achieved so much on their own, many of these business leaders are not excessively fond of employees who punch in at nine, go home at five, and do exactly what their job descriptions call for and no more.

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It rarely, if ever, occurs to these men and women that you do not necessarily have to work hard for what you want in life. Having met payrolls and gone into debt before emerging on the credit side of the ledger, they are troubled by the notion that an economic underclass may always depend on generous government policies and programs and on the philanthropic urges of others.

As a rule, a banker observed, business leaders can help by their understanding of “the scale and scope that money can help create.” But money is not just the great fixer, several respondents asserted. Even in places where social change is actually occurring, said one, business leaders are still “ruthless and hard-boiled about the way they spend it.” And money often appears in combination with leadership. Reinforced by political clout and proven experience in leading and managing at all levels of business and society, money can help make good things happen.

Asked to elaborate on whether a specific ideological or religious code or doctrinal system provided any kind of guidance as they worked to help children, families, and communities, none of the interviewees took the bait. The management theorist Peter Drucker’s name came up in passing, but any serious talk of ideologies or even of the works of the popular theorists on leadership was absent. Though several reformers mentioned having been on one or both sides of mentorships, these largely self-made people seemed comfortable with the arrangements they had made on their own in their careers, at home, and in the larger community.

Of the diverse qualities the respondents brought to the table, they seemed to value most the ability to conduct sound strategic planning in a jargon-free, nonpolitical ambiance and to translate it into step-by-step action. Almost without exception, they favor and practice sustainable strategies and measurable long-term outcomes in their companies.

This matter of accountability is a near-obsession with some and a serious concern to all. It is taken for granted that results-based accountability should be taken as seriously in human services as in business. While the notion of accountability is increasingly important in most human services agencies and community development organizations, agency chiefs' efforts are often undermined by nonguaranteed funding, high rates of personnel turnover, and political uncertainty.

The ubiquitous, many-sided matter of accountability based on measurable results may turn out to be a point of convergence for business and social service agencies. If businesses did not practice what their leaders preached, they would obviously falter or fail. The drive to measure precise results in human services seems dehumanizing to some service-providers, but as it becomes an imperative, many business leaders are convinced that they have much to teach.

Making Things Happen

The business executives relish their reputation as people who can see problems in all their dimensions — now, next month, and 20 years ahead — and can break them down, think them through, and almost inevitably resolve them. They are accustomed to using their power and influence to bust through inefficient systems and make them work better. But they do not seem addicted to the narcotic of power as such, and some wonder aloud if their reputations for getting things done is fully deserved. "Almost by definition," one contended, "we are expected to be hard-boiled about how we spent money and therefore twice as reliable in what we say."

Wherever they volunteer, one salient characteristic of these corporate helpers towers over the others: They make things happen. In the long run, that attribute of their presence dominates all others. Selectively applied, it can bring whole new perspectives and techniques to the mission of improving the lives of children, families, and neighborhoods.

Why They Serve

No line of inquiry prompted more — or more spirited — reactions from the leaders than the central question of why they had become unpaid participants in what are by most definitions social action programs. Their responses are varied and sometimes unexpected (as, for example, the quip by one entrepreneur who said, “I’ve got a defective gene; I love this stuff. And I’m a child of the 1960s.”). Although the basic motivations of service and responsibility are omnipresent, respondents voiced others such as “old-fashioned Episcopal guilt” or following the example of activist spouses. But one of the bankers encapsulated one of the larger problems when he noted, “There’s no organized movement for people to come out and do the right thing versus people who have a vested interest in something.”

The recurrent themes are mostly predictable but are nevertheless important to recognize — especially because these volunteers walk the walk. They do what they say they will do, and constructive things actually happen. They act on their beliefs and commitments, applying their energy and competence to overcome the seemingly insuperable problems of low-income children, families, and communities. Although, as the *New York Times Magazine* put it, there is “a long tradition of American businessmen not knowing what to do once they cease to be businessmen,” this dictum does not apply to the several “retired” among the 22 nor, on the evidence they presented, does it have much relevance to those still working at full time-plus jobs.

The rationales the contributors advance span an unusually broad range, which breaks down into these categories:

Giving Something Back

Without exception, the minority-group members of the 22, all of whom had overcome considerable odds in their climbs to the top, accept as unarguable fact that they have an obligation to pitch in, in some cases to aid their own minority group, but just as often to help in all depressed areas. One African American put it simply: “I’m a volunteer. God willing, I have most of the material things that I wanted in life. I just decided that I would step away from the corporate world and work on this because the need on this end has become so great.”

Several declare education to be the primary need. One Hispanic CEO noted, “If we don’t help the children, they are going to be living in a war zone. ... We can’t afford to lose these children.” The emphasis on education is pervasive and persuasive. Nearly all of

the 22 discussed it in their interviews, whether it is the focus of their actual community work or not. While some see job training as imperative, others say that getting at the young tops their lists. Underlying most of the interviews is a shared feeling that the more fortunate among us have an obligation to pitch in to make life better for those who are still at or behind the starting gate.

Beyond Philanthropy

These high-achieving doers see direct giving, as in cash gifts to nonprofits, as filling some but not nearly all of the need to do something for the deserving less fortunate. While they continue to send checks to cultural and higher education institutions, none of the leaders believe such contributions belong on the same page as direct personal involvement to help communities. One minority-group leader whose work in and for communities has become well-known expressed revulsion over the practices of nonprofits that barrage donors for more immediately after they have given as much as they can or feel they should, and he threatened to terminate or cut back his gifts. Another said he continues to give, but he feels that giving money does little to tap his leadership strengths.

The Reform Imperative

The craving to reform poorly functioning public service systems is widespread. Nearly half of the leaders consider that their work involves them in rebuilding, repairing, and sometimes even jettisoning existing government apparatuses and beginning anew. Two of the executives have held mandates from governors to come up with better ways of delivering educational and human services. "The old system is broken and beyond repair, and we must free ourselves from its perspective and paradigm," one full-time reformer observed. Most are convinced that many schools and human service organizations, notably those serving high poverty areas, are inadequate. Typical of this view is the statement of a reformer who said, "The old system was broken and was beyond repair. We were, by almost every tangible measure in 1997, worse off than we were in 1967."

Armed with enough authority, these executives insisted, reformers could apply the principles that had worked for them in business, and everyone would benefit. As one leader put it, "We wanted to see a real return for the money we're putting in there. And what we are getting is that things in the community are getting worse. Even though we are spending more and giving more to nonprofits, everything seems to be going down-

hill.” And these are the good guys, the volunteers who already are trying to help communities function better and are speaking from personal experience.

Good for Business

While the principal motivations of the executives appear to be overwhelmingly altruistic — they are unquestionably dedicated to helping out — they also demonstrate a clear awareness that financially and socially healthy communities usually yield black ink for business. These neighborhoods also provide a steady flow of qualified workers for local businesses. Whether business leaders’ motives arise from enlightened self-interest or a genuine desire to provide jobs, the push to revive decaying neighborhoods can be a boon to business.

Nowhere is this more apparent than in banking, where one of the bankers in this survey has been aggressively lending to potential homeowners in risk-prone communities, both to give immediate help and because economic payoff usually follows. A minority chief of a financial and investment conglomerate described himself as “a financial missionary in our community.” Another CEO maintained that rationales and motivations of corporate leaders do not require analysis as long as their actions, specifically getting resources to neighborhoods and providing expertise, are targeted at improving life in low-income communities while doing no harm and possibly some good for the company. A southern leader reiterated this theme more bluntly, remarking that even as they do good, corporations must also do well. A key objective of any business involvement must be to help “create communities that will purchase the services of the bank and continue to deal with it.”

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Nowhere in the interviews nor in the subsequent meeting at the Casey Foundation was profit-seeking cited as a preoccupation of the leaders in their community work, although a couple of CEOs feel that some neighborhood people tend to take that view. Most envisage an eventual blending of altruism and hands-on service and ultimately, the

creation of a climate in which business in general — theirs and others — might eventually flourish. Progress, said one, is often made at the intersection of selfishness and altruism.

Advocacy

The minority group participants are eclectic in their cause advocacy, for the most part reflecting the broad concerns of the group as a whole. At one time or another, they had participated in serving several causes at the same time, more often than not education-related, before settling into one or two. Where they part company with their peers is in their ever-sharpening attention to issues of economic advancement for Latinos and African Americans — what one described as “a deep sense of commitment to help improve the quality of life for people who would not have an equal chance in society.”

Beyond this common denominator and a broadly shared concern for educational opportunity, the executives work for a variety of causes. Advocacy for young children tops the agendas of several executives. One dedicates himself to the plight of the frail elderly. Another is the board chair of a well-known national organization (the “I Have a Dream” Foundation) to get young children of low-income background to college. An East Coast banker is deeply involved in school-to-work programs. A Latino executive helps community people start their own businesses and otherwise promotes minority-based entrepreneurship.

Some leaders frankly admitted that they had not known quite what they were getting into. The recently retired head of a Fortune 500 company reported that some years ago, as a new CEO about to join The Business Roundtable, he was “floored to learn how much some CEOs were doing in these areas and how much expertise they had developed beyond their own jobs. They have accomplished so much more than just being a good CEO in a good company and turning a good profit.” Another noted that motivation of this type comes from simply exercising “the responsibility that goes with leadership.”

Sadly, these sentiments are not universal in executive suites and corporate board rooms. A former CEO of a large corporation recited a list of reasons for not participating that he had heard from fellow CEOs over the years. Underlying most of them was the philosophy that corporations exist to produce profits for their shareholders and that laying out company money for nearly anything else is by definition counterproductive.

Empowerment: “A Wealth Creation Game”

The rhetoric-reality gap was most striking when the interviews turned to the matter of empowerment, a term that means different things to different people. No matter what the definition, empowerment of those who have not experienced it has become a symbol of community development, a goal of social and political activists, business leaders, human services professionals, and politicians of nearly all ideological complexions. Ideally, it connotes such worthy concepts as democratic processes and institutions of governance, home and property ownership, and economic and social clout, with special emphasis on good schools. All of these still are conspicuously absent from most of the nation's poverty-afflicted communities. But empowerment holds something good for everyone, and the sooner it can happen, the better, said most of the interviewees.

The path to empowerment is bumpy and often unpredictable. The most formidable barriers are obviously the ground-level conditions and cultures that business leaders encounter in target communities. Unfortunately, these normally are so deplorable that quick, temporary fixes and patchwork programs have substituted for serious talk of the all-out revitalization and empowerment of communities that have lost factories, jobs, and hope. Empowerment then becomes merely a buzzword.

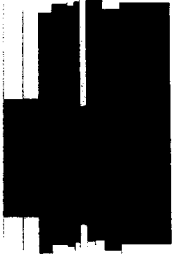
New Opportunities

The discouraging reality in poor neighborhoods evoked widely differing reactions from interviewees when they first embarked on community improvement activities. Predictably, the bankers and financiers were generally more informed about the economic facts of life in low-performing neighborhoods. They were better positioned to determine whether various measures of help — for example, pressing for ownership over renting, supporting local businesses, or backing neighborhood-wide redevelopment — could be defended as sound practice. As a rule, they prefer to underwrite buildings and small businesses on a selective basis where they can project genuine opportunities for the kinds of capacity-building that should be a cornerstone of redevelopment.

Empowerment, one leader remarked, can eventually prove profitable for banks — tangibly in getting a return on equity, and intangibly in building a brand-name image in recovering communities. And as another respondent said, this by no means negated the willingness of the bank to take risks that would improve lives in communities — with or without a boost from the federal Community Reinvestment Act. “If the CRA went away tomorrow, my team would still be doing what they’re doing. In fact, it would make our

lives a lot easier, because we wouldn't have to worry about all the documentation and figuring out how to get regulatory points for the work we're doing."

In the related domain of entrepreneurial developers and investors, the same sentiments emerged. One of the Hispanic business leaders reiterated that most Hispanic-led businesses (like those run by African Americans) have been "totally immersed in survival" and that it hasn't been possible to "go back and reinvest and work with the community" in a significant way. As more minority-owned businesses began to move into the black in the 1990s, this venture capitalist identified access to capital and to "the system" — and a knowledge of how that system operates, notably in enabling these firms to tap into banks and insurance companies — as the most critical needs.



"The only way to get buy-in is to give communities the opportunity to let their views be heard and then use those views to solve the problem."

Several of the CEOs propounded a broadly held but not always obvious view that political power is most likely to come only after progress has been registered in meeting social and especially economic needs. But at least equally important to several respondents is an encapsulating vision of "buy in" — broad participation by a community's population in all efforts to better their lives and those of their communities. One executive observed, "The only way to get buy-in is to give communities the opportunity to let their views be heard and then use those views to solve the problem."

To several of the executives, empowerment means bringing members of target communities and organizations directly into higher-level attempts to reform government organizations, school systems, or public services, sometimes as consumer-experts and often as players in decisionmaking. While not all of the executives embrace this approach, most concede its value. One CEO noted that communities must start making their own decisions and "recognize that they're not going to be criticized if they're wrong, that we are only going to make them go ahead and correct the problems."

A Place at the Table

The group as a whole, however, agreed that at a minimum, empowerment means bringing community representatives to the table and consulting with them when their opinions on local issues can help and their particular interest is clear. For a few, this is a more comprehensive undertaking. A former CEO, charged with revamping a state's systems for delivering human services, created regular opportunities to take a disadvantaged neighborhood's pulse. He developed "a truly all-inclusive community collaboration" by dealing directly with local residents in pilot projects, consulting regularly with a group he called "Ladies in the Back Yard," and including community people at key points in the reform work.

Participation and buy-in are only steps toward economic empowerment. Unless economic wealth can be created to undergird the social and political progress that empowerment symbolizes, its chances of succeeding are highly debatable. A Hispanic executive described it in six words: "Empowerment is a wealth creation game." In one version or another, the 22 leaders are helping communities win at that game. Lamentably, the praiseworthy efforts of the private sector and those of the federally sponsored empowerment and enterprise zones are still barely scratching the surface.

The Bureaucracy: “Good People Trapped in a Bad System”

While not uniformly hostile to government employees and their organizations, the business executives display an anti-bureaucratic bias, judging the system as resistant to change and out of touch with political reality. However, several leaders also voiced profound respect for the dedication and competence of those with whom they work.

It is hardly a secret that businesspeople and civil servants — whether federal, state, or local — seem to believe that they inhabit different planets. They rarely know each other’s jargon. Brought together, the traits that stamp their professional lives and personalities move quickly to center stage, and common ground or even common purpose initially seems to be in short supply. If they do not quite clash head-on, the risk-taking entrepreneurial culture and what a prominent businessman terms “the bureaucracy’s inability to tackle the real problems of restructuring and eliminating 50-year-old rules and regulations” appear to be inherently divergent.

In their less charitable comments, some of the CEOs were relentlessly critical of public service systems, issuing such unflattering characterizations as “wrongly motivated,” “obstructionist,” “addicted to self-preservation,” and “a major stumbling block.” Corporate officers’ end goal — profit — is clear and indisputable, and their performance is assessed on whether and how they get there. Human services system chiefs, on the other hand, as a former CEO asserted, are more concerned with “feeling good, feeling holistic, feeling inclusive, feeling religious, feeling sanctified, going home having justified the time they’ve spent on something, the report that’s been written.”

Overhauling the System

A minority group business leader raised in public housing projects scathingly denounced a system that has “lost touch with the people” it is charged to serve and which can afford to employ only undertrained, unqualified applicants. The system, this executive concluded, is set up to fail. A former CEO noted that the system’s apostles do a lot of fervent preaching, but “those little kids still aren’t being vaccinated or getting the glasses they need.” And the systems and beliefs that support it have become, as one respondent observed, “ossified and incapable of self-improvement.”

For all of this criticism, no one suggested dismantling existing structures, and, somewhat surprisingly, there were no calls to privatize government services. Those executives whose primary interest is in improving or reorganizing agencies are particularly sensitive to the organizational obstacles that deter service providers. Even as they recommended

consolidation, massive reorganization, and whole new approaches at all levels, at no time in the interviews did these experienced leaders challenge the necessity for government to provide the services. They believe that no change of process or form should be undertaken without first achieving some kind of consensus among affected groups, especially the recipients.

However, at a time when companies are reinventing themselves (one CEO in this survey presided over the transformation of a large and respected specialized manufacturing firm into a global financial services giant) and whole new industries are mushrooming, government bureaucracies appear to be all but lifeless. A banker commented that government agencies seem to prefer to be judged by how well they prevent rather than catalyze change. Trying to change them, said another executive, “is like swimming around in oatmeal.”

Many businesspeople “have had little interaction with government and are pretty naive about it. They just don’t understand how it works, how to interact with it, or how to be effective in a collaborative way.”

For every three or four harsh judgments though, there are also mitigating observations, some understanding of the system-wide stranglehold that so many well-intentioned bureaucrats are trying to loosen. One executive went so far as to say, “Few people have a better view of just how desperately we have failed than the fellow who has been providing the services for 20 or 30 years.” A respondent with a distinguished record of service in communities — as well as the experience of having headed a huge federal agency — put the shoe on the other foot by declaring that many businesspeople “have had little interaction with government and are pretty naive about it. They just don’t understand how it works, how to interact with it, or how to be effective in a collaborative way.”

Such descriptions are frequently accompanied by conjecture about how the bureaucrats greet the prospect of having business representatives stake out important positions on their turf. One CEO thought that government people tend to respect business leaders “for what they have accomplished, both managerially and financially.” For reasons that he confessed baffle him, another noted that people in the nonprofit world of governments

and private service agencies seem “in awe of someone who has been in a tough business world where the sole objective is to make money.” However, several others felt that the chasm between government and business in general is so wide that solutions private sector executives devise often cannot be carried out.

Even the most sympathetic-sounding business leaders harbor reservations about the system. Beyond the stifling rules, regulations, and arcane legislative demands that characterize government, there is the matter of elections that can in one swipe gut popular programs and reverse the ideological support base of well-established ones which, while far from perfect, usually get the job done. But at ground level, one executive remarked, it matters little who holds the reins of political power because governments should be more concerned about infrastructure than about programs they should probably not be running in any event, especially given the vagaries of partisan politics. Along the way, several respondents emphasized, the needs of the people can get lost in the political process.

It is worth noting that two prominent CEOs believe American business is sometimes a less-than-glittering role model for the world of human services. One cited the “institutional inertia” of business and, as in government agencies, “a reluctance to change.” Another with a nationally respected record of public service mentioned “how inefficient business really is” and how undeserving it is of its reputation for “infallibility and managerial ability.” Indeed, this leader asserted, “There’s only one thing worse than government bureaucracy and that’s business bureaucracy.” Nevertheless, this executive continued, “It is difficult to get bureaucracies to recognize that complex social problems can’t be handled along departmental lines.”

While the long-run challenges for government perhaps have larger social and economic consequences than do those for business, another leader remarked, the similarities are also noteworthy. After all, the same approach applies: identifying markets, serving them efficiently at the lowest feasible cost, and locating appropriate resources for the job.

Qualified Help Available

Most of the 22 executives interviewed for this report asserted that there is no scarcity of compassionate business leaders willing to help build pathways to better lives for distressed communities and the families that live in them. But this resource has barely been tapped, and this deeply worried some of the respondents.

The match may be a natural in principle, but it still isn't happening often enough. The leadership and managerial sophistication that business executives display daily at their jobs and in their community involvement has not yet translated into a comprehensive vision of how to attract more of their peers into this worthwhile endeavor. However, the approaches described below offer some clues for engaging more business leaders.

Recruit Face to Face

Of the many ideas placed on the table in the interviews and the subsequent meeting at the Casey Foundation, none is more pervasive than the widely expressed certainty that "CEO-to-CEO," "face-to-face" or "peer-to-peer" contact is the route to take. Business leaders tend to respect the judgments of their peers and even their competitors, and straight talk from them can be enormously persuasive.

Ideal though they may seem, person-to-person contacts are not always easily made or consummated. As a former Fortune 500 CEO put it, "Certain CEOs are so respected that you're miles ahead if you get them," but they are also the busiest. Getting to them can be time-devouring and frustrating. The aggravation and extra planning are worth the effort though, if the right people ultimately sign on and bring new heft and purpose to community betterment. But to waste their time is to lose them.

Access to influential CEOs is not the only consideration. The nature and quality of the pitch is what will prove decisive. An appeal based mainly on emotion or on a vague call to duty may not necessarily be a loser, but its chances are less than promising.

Know Your Audience

Just as corporate leaders depend on careful market analysis before launching products or sales campaigns, they want to know all the facts before undertaking a potentially risky personal or corporate commitment to any resource- or time-consuming enterprise, especially one with dubious bottom-line promise for the near future. The talent scout must come equipped with hard and convincing data, including on-the-scene experience and verifiable accounts of the benefits community activity can bring to businesses.

Equally important: Recruiters must do their homework. An accurate sense of potential participants' personal interests and backgrounds, their previous engagements in charitable or community-building activities, the key interests of their companies, and, in some cases, the makeup of their labor force, is crucial. For some business leaders, identification with a personal or corporate interest or connection — such as experience with the rare illness of a family member or friend, the existence of pockets of crime and/or poverty around the corner from the office or plant, or a local high school that is not producing an adequately prepared workforce — can be a decisive force. For others, their personal legacy may be a significant consideration. Still, executives prepared to buy in often do so with or without a personal tie.

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A Visit to the Community Is Invaluable

There is no substitute for a firsthand look to show executives exactly how complex and deep-seated are the problems in the nation's afflicted communities. Leaders should consider bringing their still-undecided colleagues into needy neighborhoods to see the situation for themselves. Several respondents observe that meeting community people and observing how local human services agencies function can constitute a persuasive argument for becoming involved. A setting that may be a run-of-the-mill venue for a professional service provider may be a dramatic eye-opener, even a life-changing experience, for a volunteer-in-waiting.

Show How Business Can Benefit, Too

Finally, businesses will learn that such community involvement can be consistent with the profit motive. Newcomers must come to understand this, not as a condition of signing up but as a possible, even likely, outcome. Experience demonstrates that business interests dedicated to helping out frequently do well by doing good. Though circumstances vary greatly, volunteer work in depressed communities has been known, among other gains, to spur homeownership, enlarge opportunities for higher education, create

jobs, and produce better prepared workforces. Both directly and indirectly, these phenomena aid community-oriented firms and banks.

Interviewees expressed limited enthusiasm for serving on charitable or cause-focused boards of directors. Several respondents said that advisory panels are often toothless and a questionable use of time, even though the presence of “big name” CEOs was probably beneficial. Governing boards with decisionmaking powers, on the other hand, appear to offer acceptable outlets for the energies of executives who may have more to contribute in such roles.

The leaders strongly endorsed the idea of producing “a generic cookbook” — a kind of all-purpose information source on how business leaders can become part of this growing movement. Such a publication could systematically address a wide range of information, including reliable sources of information on service to communities, how to work with existing bodies such as United Way and community foundations, the kinds of problems that arise and how experienced CEOs address them, and forming clusters of executives to address specific or local needs.

Some On-the-Job Lessons

When the interviews turned to the rewards and frustrations of giving direct assistance to people and communities, the executives fairly brimmed with helpful tips for those willing to follow in their footsteps. A cutting-edge business school or up-to-the-minute corporate training center could probably design a useful course from the notes and transcripts of their collective wisdom.

Of the dozens of perceptions and cautions the leaders offer, these stand out as being applicable in nearly every setting in which community-minded executives of the future may find themselves.

Understand Your Limitations

Recognize from the start that at-risk communities and the organizations that serve them do not have much in common with private enterprise in general and large, well-functioning corporations in particular. The sides tend to view each other with suspicion. Some businesspeople question whether anything they do can ever really help and whether intervening is likely to advance their companies' long-term interests. On the other hand, some neighborhood people almost reflexively practice the politics of resentment. They feel belittled or diminished by these outsiders, the latest in a procession of intrusive do-gooders who, they may feel, are merely passing through in an effort to make points for their companies and some kind of expiation for themselves.

These facts of life are not always obvious to CEOs who may be new to this game. Instead of assessing exactly what a community can absorb over months or years and tolerating what may seem to be a politically radical atmosphere, some fall into the trap of losing patience when their ideas do not instantly resonate with people whose experience with outsiders may have been dismal. Despite their superficial attractiveness, grandiose, all-encompassing approaches should be avoided. Finding a problem area to focus on should be a cinch for people who pride themselves on the quality of their market research. Of the many tips the executives offer, this was one of the most frequently cited. Go where the need is and your ability fits best. Try to score an early success to establish yourself, even if it is not in a high priority area. But time is the enemy, say several participants. Unless you can allot enough time to do the job right, don't even try.

The flip side of understanding limitations is to know how to play to personal strengths and inclinations. A banker with decades of experience in a large variety of public service efforts advised anyone headed in that direction to "look at yourself in the mir-

ror and determine what it is you care about.” In her case, after spreading herself too thin for too long, she decided to focus on “things that are related to educating and enabling people to have some control over their lives.”

Avoid Magic Solutions

The managerial doctrine that may have worked in a competitive corporate setting may not be the ticket for a “soft” agency or community. Government agencies, especially those that have trouble with accountability, are forever trying out what *Governing* magazine has described as “the management flavor of the month.” Given the culture and mission of communities and social service agencies, though, some may not be the right places for total quality management, managing for results, benchmarking, re-engineering, value engineering, rightsizing, strategic planning, downsizing, flattening, privatizing, competitive contracting, virtual organizations, or systems management — in other words, “management by bestseller.” It is tough enough for outsiders to gain the confidence of public officials, even without trying to impose what may be a totally inappropriate way of running their organizations on them.

Business leaders aspiring to make a difference should not be surprised if their enthusiasm for one or another of these frameworks goes unreciprocated. Adding new planning or operational models to systems that may already be bogged down in regulations, mandated outcomes, and last year’s favorite management flavor could complicate rather than simplify how things get done. Be practical. If accountability plans, success benchmarks, and unambiguous objectives work for you, perhaps they also will work in a needy community or failing delivery system.

Don’t Act Like a “Typical” CEO

“You must fit into the community rather than vice versa,” said a former CEO. “Make reasonable comments and try to be positive; anything you say will probably reverberate through the neighborhood. Be informed but substantive, open but not domineering.”

From others come such observations as these:

You can’t fire anyone, so don’t try. Avoid self-promotion. Gimmicky quick fixes won’t work; the stakes are too high. Respect the realities that face you, but make sure that the information you get is solid and stands up to tough criteria. Unless you become or hire a lobbyist, you can’t do much about changing the laws and regulations that both help and

straitjacket poor communities. You have to learn to work within and around them. Be prepared to function as a primary resource or an all-knowing guru but, except in rare cases, not as a boss. Insist upon results, publicly announced and publicly measured.

Learn to coexist at least temporarily with racial tension while striving to eliminate or reduce it. Try not to let what you say come out as granite certainties. Accept the fact that the social mores of the community may not be the same as yours. You don't have to start new programs. Succeeding with what is already on the ground may work better at first. It helps to be seen as a champion of the people and their neighborhoods. And be prepared to experience more heartache than credit.

The working style of a few CEOs — unquestioning top-down leadership — usually doesn't work in low-income communities. They don't take to dictators. Collaboration and collective leadership are more likely to succeed. A CEO with many years of experience in community endeavors, particularly in cooperation with United Way, said, "It's not nearly as important to work on exactly the right problem as it is to be able to assemble a group of people with leadership who will work together on a given problem. If they get together once and show that they can do that, then they're anxious to do the same thing over again several times."

Use Your Best People

After decades of dealing with an endless parade of federal, state, and local officials, outside experts, and sincere but questionably qualified volunteers of various stripes, community activists can easily spot and even make fools of newcomers who can't deliver the goods. Some of the most striking success stories along the business-community axis have emerged from situations in which CEOs either participated directly on a "hands-on" basis or dispatched their top aides to take over a company's commitments to community service. One major regional bank's executives felt so strongly about this that they hired one of the country's outstanding community relations professionals to help out in decaying urban areas.

Once assigned, a company's representatives should have the strong, publicly expressed backing of the top brass at headquarters. Community work cannot be handled as a way of shunting surplus or over-the-hill employees off to organizational Siberias. As some of the trailblazers in this area noted in the interviews, corporate employees who get into this work (and it *is* work) need to understand that such involvement can make a person a better business executive in the long run. This kind of assignment should never be thought

of as lost hours on the job but as an important career move, one that could put an employee on the inside track to higher responsibility or, secondarily, in a strong position should business possibilities materialize in the area.

Closely related is the matter of matching corporate talents to community needs. Assigning a computer expert to help reshape a school system's history curriculum rather than its personnel and logistical operations makes little sense. It is not enough to have warm corporate bodies on the scene. If they are to be part of such an endeavor, they should be placed where their talents can be best applied.

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Expect the Unexpected

A Midwestern leader working mostly on school reform warns that newcomers cannot really be fully prepared for what they will encounter. No amount of "preservice" briefing can accurately convey the magnitude, complexity, and intractability of the problems that have accumulated in high-poverty communities. Their depth and breadth, one executive notes, "stagger the imagination." And they keep coming, often in ways that defy rational solution. Flexible thinking of a kind not always encouraged in corporate quarters is a requisite.

No expressions occurred more frequently in the interviews than "keep focused" and "hang in there." It is not always easy to tell successful business leaders to keep their eye on the ball — the ability to do so is one of their key strengths — but the advice to do so broke through at so many points in the interviews that it merits special attention. The temptation to get involved in too many areas and become spread too thin — and to bail out when prospects for success are dim — is omnipresent and has to be fought off.

Business leaders accustomed to operating well-organized systems of supply, distribution, and accountability are often taken aback when they confront the messiness of life in many poor neighborhoods. Even when thoroughly briefed before tackling a problem in

the community, they often find it difficult to deal with the sloppiness they may encounter. Supply orders go unfilled or get "lost." Shortages of materials from school books to building supplies are often the rule rather than the exception. Everything is a hassle. And, said a venture capitalist, the apathy of government offices makes it all but impossible to predict success.

Strive for Institutionalization

Several leaders voiced doubts about the staying power of the reforms they were pushing. What would happen when they left? Even in business, as one former CEO stated, "It's almost impossible to institutionalize a chief executive's program because it is in effect his, and once he's gone, he has no control over what's going to happen. It's almost impossible to make certain any kind of continuing impact." A second top-tier executive emphasized that politicians and agency heads at a site or in a single project should start thinking right from the beginning about making the reforms last once the outsiders were gone.

With some notorious exceptions (such as retooling in the U.S. automobile industry when smaller-sized imports threatened their markets), installing good practices in the business world usually happens rapidly once the decision to change a product line, manufacture a new one, or change a service has been made by the CEO and, where necessary, approved by the board. But when there are promising signs that an agency or community is willing to see a reform take hold, the best course for the outside advisor is to "get out of the way and let it happen." As one reformer said, "The system will self-adjust to the solution we come up with." But a community-wise banker remarked, "The danger here is that people like me are getting tired as we get older, and we're going against a monster that is much larger than we are."

Roster of Participants

* Denotes participation in Casey Foundation meeting, September 24-25, 1998

Bert Berkley, Chairman, Tension Envelope Corp., Kansas City, MO*

Berkley was a founder of Local INvestment Commission (LINC) of Greater Kansas City, a citizen-led effort "to see that all state funds coming into Kansas City for the social services were well spent." The LINC organization soon attracted 400 volunteers and broke new ground in advancing citizen participation in improving the workings of state government.

Catherine C. Bessant, President, NationsBank Community Investment Bank, Charlotte, NC

An executive with wide experience in community development, Bessant is deeply involved in assisting low- and moderate-income individuals and communities as well as small businesses. She directs NationsBank's programs that focus on credit extension, affordable housing, investments, and small businesses in historically underserved urban and rural markets.

Reginald D. Dickson, Partner, Buford, Dickson, Harper and Sparrow, Inc., Clayton, MO*

As president and CEO, Dickson was for many years the principal force behind INROADS, Inc., a minority-oriented career development program that has identified and helped 6,000 promising young African Americans, Hispanics, and Native Americans around the country in their passage through high school and college, and, in most cases, into business careers. He is chair of the Family Investment Trust, Missouri's state-level systems reform entity.

Terence C. Golden, CEO, Host Marriott Corporation, Bethesda, MD

A former senior U.S. government official, Golden is a dedicated social activist who has been deeply and directly involved as a "participant for change" in a broad range of community development initiatives. This participation has embraced work in housing, education, welfare, and early childhood programs in some of the Washington, D.C. area's most blighted neighborhoods.

Rosemarie B. Greco, Co-chair, Private Industry Council, Philadelphia, PA

The past president and CEO of CoreStates Bank, N.A., one of America's largest banks, Greco began as a secretary in 1968 and eventually became the nation's leading woman banker. She is a lifelong participant in a range of community betterment activities, including education reform (both state and city), Philadelphia's welfare-to-work program and job training.

Randall Hampton, Executive Vice President, LaSalle National Bank, Chicago, IL*

After 30 years as a banker and investment manager, Hampton "retired" in his early fifties to become the full-time volunteer chairman of Centers for New Horizons, the largest community-based human services nonprofit organization in Chicago. He returned to banking in 1998.

Kenneth Lewis, Chair, "I Have a Dream" Foundation, Portland, OR*

Lewis "retired" young from business to devote his time and energy to nonprofit activities across a broad front in Oregon. At the same time, he serves as national chair of the board of the New York City-based "I Have a Dream" Foundation, which provides children from low-income families enhanced opportunities to develop intellectually and attend college.

John C. Lopez, Chairman and CEO, Lopez Foods, Inc., Oklahoma City, OK

Throughout a distinguished business career, Lopez has been active in efforts to improve life for Mexican-Americans who, like him, have experienced poverty. A former owner of McDonald's franchises, he has been closely connected to Ronald McDonald Houses as well as to a range of activities under the aegis of the Latino Community Development Agency.

Gary MacDougal, Chairman, Governor's Task Force on Human Services Reform, Chicago, IL

The former CEO of Mark Controls Corporation, MacDougal has long believed that the organization and operations of governmental human service systems are fragmented and ineffective. The governor of Illinois commissioned him to create and lead a task force that ultimately reorganized and greatly improved the effectiveness of much of the state's government.

Teresa N. McBride, CEO, McBride and Associates, Albuquerque, NM*

In addition to directing the affairs of her "computer solutions" company, McBride, a former Hispanic "Woman of the Year," founded and is the guiding force behind "College Bound." This public nonprofit foundation exposes disadvantaged grade-school children to higher education and the opportunities, choices, and benefits it provides.

Alden J. McDonald, CEO, Liberty Bank, New Orleans, LA*

For more than 30 years, McDonald has been a dedicated participant in a wide range of philanthropic and community-centered programs with special emphasis on "increasing the opportunities for minority business in the New Orleans community." He has been influential in providing assistance to more than 1,000 first-time, low- and moderate-income home buyers.

Cathy E. Minehan, President and CEO, Federal Reserve Bank, Boston, MA

Minehan is active on several fronts, notably in efforts to help disadvantaged young people prepare for productive careers. A strong believer in community action, she works with numerous organizations in these areas. The Boston Fed has a separate department for community relations.

John C. Morley, CEO, Evergreen Ventures, Ltd., Cleveland, OH

Upon retiring from the Reliance Electric Company, where he had been president and CEO, Morley became a principal business representative in the comprehensive reform of Cleveland's

public schools. At the same time, he became involved in numerous community development activities that have begun to upgrade the city's downtown and high-poverty areas.

Kent C. (Oz) Nelson, Retired Chairman and CEO, United Parcel Service, Atlanta, GA*

Nelson could serve as a role model for involvement by business executives in civic and community affairs. His work as head of the nationally acclaimed Partnership for Kentucky School Reform, among many other commitments, will have a lasting, positive impact as an effective example of collaboration among business, education, and state government — a cause to which Nelson has long been committed.

Paul C. O'Brien, President, The O'Brien Group, Boston, MA

From his earliest days as a telecommunications executive in New York, O'Brien has been a leader in linking corporate managers to social programs and political action. He has been particularly active in promoting social action programs and in working closely with legislators and government agencies at the state level in Massachusetts.

Cecil M. Phillips, Managing Partner, Phillips International L.P., Atlanta, GA

As chairman of the Governor's Policy Council on Children and the Family in Georgia, Phillips heads a major statewide effort to improve existing arrangements for the delivery of social services, or, as he puts it, "cutting the Gordian knot" in all of the state's 159 counties.

Douglas M. Price, President, FirstBank of Colorado, Lakewood, CO*

Price is a leading activist for child-care reform in Colorado and across the country. He chairs the Colorado Business Commission on Child Care Financing and the FoodBank of the Rockies, and is a member of a six-person Presidential commission on child care.

James J. Renier, Retired Chairman and CEO, Honeywell, Inc., Minneapolis, MN

The Minneapolis *Star Tribune* describes Renier as "an enemy of bureaucratic regulation, an unabashed fan of business and the military. And a passionate defender of unwed teenage mothers." It could have added that he is in the forefront of former or current Fortune 500 company CEOs in pushing policies and actions that yield positive results for the needy.

Landon Rowland, CEO, Kansas City Southern Industries, Kansas City, MO

As a leading participant in LINC, Landon Rowland has long been a key player in cooperative endeavors involving business, government, and communities in the Kansas City area, and a strong force in helping Missouri's human services agencies perform better. One of his special interests is in providing better services for the frail elderly.

Deborah Rosado Shaw, CEO, Umbrellas Plus, Inc., Chester, NJ

Born in Spanish Harlem, raised in the South Bronx, a scholarship student at Wellesley College at 16, a winner of a Woman of Enterprise award in 1996, and at 36 the youngest respondent of the 22, Shaw wants more young Hispanics to follow her path to entrepreneurship. To this end, she has become president of Powerlink, an advisory firm on diversity issues.

Daniel Villanueva, Chairman, Bastion Capital Corporation, Los Angeles, CA

Villanueva has balanced financial success with good works as one of the nation's premier Hispanic business leaders. Working mostly behind the scenes, he has been a prime mover in advancing the economic prospects and interests of Hispanics in California and across the country. Villanueva was also the first Hispanic to play in the National Football League, where he was a placekicker for the Los Angeles Rams and Dallas Cowboys.

William S. Woodside, Chairman, Sky Chefs, Inc., Scottsdale, AZ*

The former chairman and CEO of Primerica, Inc., Woodside is a pioneer in the area of business-community relations. Recently active in the human services policy arena in Arizona, he is chairman of the board of the Arizona Prevention Resource Center and has become a participant in state-level efforts to improve the delivery of federal and state aid.

**Additional Participants in the Casey Foundation Meeting
Baltimore, MD, September 24-25, 1998**

**Martin Blank, Director, Community Collaboration, Institute for Educational Leadership,
Washington, DC**

Gail Christopher, Executive Director, Alliance for Redesigning Government, Washington, DC

Elizabeth Hale, Vice President, Institute for Educational Leadership, Washington, DC

George R. Kaplan, Consultant/Writer

Charles Kolb, President, Committee for Economic Development, Washington, DC

Douglas Nelson, President, Annie E. Casey Foundation, Baltimore, MD

Ronald Register, Executive Director, Cleveland Community Building Initiative, Cleveland, OH

Ralph Smith, Vice President, Annie E. Casey Foundation, Baltimore, MD

Donna Stark, Program Officer, Annie E. Casey Foundation, Baltimore, MD

Vickie Tassan, Senior Vice President, Community Investment, NationsBank, Washington, DC

Michael Usdan, President, Institute for Educational Leadership, Washington, DC

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