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DYNAMIC ORGANIZATION

Attentiveness to Relationships is Vital in a Highly Dynamic Organization

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Abstract:

Columbia-Pacific Resource Conservation and Economic Development District, a rural nonprofit organization, is followed through the process of dramatic change from a little-known conservation organization to a highly responsive and important economic and community development player in a four-county region. The organization managed a change from a state of lethargy to one in which governing board members became highly engaged, enthusiastic participants and leaders guiding the organization to significant impact.

After the organization's participants adopted complexity, Columbia-Pacific RC&EDD developed a strong reputation for innovation and impact. Leadership took a systems approach to manage change internally and guide positive approaches throughout its service area. The case demonstrates the need to balance task and relationship orientations, flexibility to respond to changing environments, and techniques for motivating community change. This case explores the lessons learned from Columbia-Pacific RC&EDD in achieving greater impact.

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Using a Systems Approach

Introduction

Columbia-Pacific Resource Conservation and Economic Development District (Columbia-Pacific RC&EDD) served a very rural area in far southwest Washington. The Governing Council (board) members of Columbia-Pacific were often representatives of member organizations and tended to identify with their original organizations or agencies rather than Columbia-Pacific. At first, and for nearly thirty years, Columbia-Pacific was a Resource and Conservation District; in 2000 it also became an economic development district and the scope of the work broadened.

When Columbia-Pacific RC&D first began in the 1970s, it found grant funding to create a county park and a red-tailed deer refuge. It then spent many years serving primarily as a meeting place for the local government agencies that participated in governing the organization. It struggled to find new initiatives and purpose even as the natural resource industry and economy of the district changed.

As a resource and conservation district, the U. S. Department of Agriculture (USDA) provided a permanent technical advisor—titled Coordinator—to Columbia-Pacific. The federal Coordinator to Columbia-Pacific in 2001, Jim Walls, had been in his position for nearly fourteen years; the Governing Council had come to rely on him to make organizational decisions (as opposed to merely advising). Walls was experienced in resource conservation and the governing board deferred to organizational initiatives in habitat restoration. When it became Columbia-Pacific RC&EDD, the primary funder of the economic development district side, the Economic Development Administration, a branch of the U. S. Department of Commerce, urged it to hire an

Economic Development District Director to coordinate unmet economic development opportunities, with an emphasis on supporting small businesses. This case explores how one organization revitalized itself through networking, served more community needs, and made a lasting impression on the four-county district.

Purpose

In this case study a rural nonprofit organization whose leadership made structural changes found new opportunities in better serving its community. The case explores how changes in the organization's operational approach to networking resulted in its dramatic shift from a little-known conservation organization to a highly responsive and important economic and community development player.

The purpose of this case is to (1) explore how attitudes and behaviors about networking can shape change management, (2) demonstrate how sustainability of programs relies on a balance of task and relationship orientations, and (3) demonstrate effective leadership in complex adaptive systems.

Lessons include:

- Change management includes organizational culture as well as systems, structure, and strategy development;
- How organizational culture intersects with the culture of an organization's community;
- How closely nonprofit reputation and service delivery are related;
- How nonprofit mission can be integrated into all elements of organizational program and operations;
- The characteristics of leadership in complex adaptive systems.

Knowledge in the field

Gregory Bateson (1972), a pioneer of systems thinking, emphasized that systems exist not only in individual organisms and ecosystems, but also in social systems. Niklas Luhmann (1995), who developed the concept of social living systems in detail. Luhmann's central point is to identify the social processes of the living system network as processes of communications. Since these processes take place in a symbolic social domain, the boundary cannot be a physical boundary; it is a boundary of expectations, confidentiality, loyalty, and so on.

Complex social networks rely on a myriad of relationships that can be difficult to track. Making sense of the environment, complexity can be managed through mapping, deflecting, or exploiting (Alexander, 1998). Mapping is when an organization accepts complexity and attempts to mimic the complexity of the environment through internal structures. Deflecting is an effort to retain control by ignoring external complexity. Exploiting is adapting by utilizing the complexity. Most organizations are risk averse and seek some semblance of control by trying to deflect complexity. That usually results in limits on their networks and the organization's productivity.

Social structures, such as nonprofit organizations and their networks, can be regarded as complex adaptive systems, but this does not explain how to lead within complex adaptive systems. Indeed, the natural scientific and mathematical study of complexity need not incorporate leadership in complexity studies because if leadership exists in these fields it tends to be exceptionally dynamic (Marion & Uhl-Bien, 2002)

Leadership in Complex Adaptive Systems

The connection to leadership in living social systems, such as networks of organizations that address complex issues requiring partners across sectors, is relatively recent. For example,

adaptive leadership has been studied in Hersey & Blanchard's (1969) situational leadership, Greenleaf's (1977) servant leadership, Mintzberg's (1983) shared leadership approach, and Heifetz and Laurie's (1997) adaptive leadership. These theories, however, do not incorporate the complexity characteristic of coevolution—the state of being affected by an environment while simultaneously transforming it. It is even more recently that a theory of leadership in complexity has been developed.

Complex issues such as intractable, interconnected problems need complex approaches that accept, even embrace, ambiguity and the four fundamental components of complexity: adaptiveness, overlap, interdependence and co-evolution. Complexity theories can help organizations understand and work with complex issues, but that means a new way of thinking, and this affects how organizations are led. Complexity leadership concerns leadership in any form of organization, including applicability to nonprofit organization leadership. It may apply to complex situations or in complex adaptive systems.

In highly networked, highly dynamic settings, a new perspective of nonprofit leadership is emerging in circumstances that are too complex to attribute to one single individual, organization, or even to pre-planned strategies. For example, networks created to resolve systemic social issues (e.g., poverty, community development, or global warming responses) may rotate through leadership in order to effectively adapt to their working environments. Although leadership in complex circumstances may reside within multiple individual leaders, the importance of leadership does not diminish.

Models of leadership in emergent, adaptive organizational systems based on complexity science have been developed and tested using computer simulations (Marion & Uhl-Bien, 2002) or single case studies for one organization using qualitative research (Plowman, Baker, Beck,

Kulkarni, Solansky, & Travis, 2007; Plowman, Solansky, Beck, Baker, Kulkarni, & Travis, 2007). Computer simulations are used in an effort to incorporate many variables of leadership in complex circumstances interacting with each other in a myriad of ways. While this simulates many of the intricacies of complex adaptive systems, programming the simulations may not include the temporal aspects of critical variables or properly weight variables with disproportionate influence (Schneider and Somers, 2006). Case studies, based on actual conditions and using qualitative data, are better at considering complexity, but because they study only one organization are not adequate to generalize the diverse circumstances organizations confront. In most cases, the levels of analysis have been limited to an individual leader (micro-level) and the organization (macro-level) and do not study the networks (meta-level) in which the leaders and organizations operate.

Uhl-Bien, Marion, and McKelvey (2007) claim the dominant paradigm in conventional leadership theory focuses on how leaders can influence others to align individual preferences with organizational rationalism. In a more comprehensive report, Hazy and Uhl-Bien (2012) organize the relationship between complexity and leadership in complex adaptive systems. They masterfully explain complexity theories and how Complexity Leadership Theory connects to and derives from them. Complexity implies ambiguity, as when studying the relationships that catalyze leadership in complex adaptive systems.

Using the complex systems agent-based epistemology of system dynamics, Hazy and Uhl-Bien (2012) explain a model of the leadership meta-capability, which they call the leadership and capabilities model (LCM). It performs an iterated operation on the coarse-grained properties within the system that exploits current capabilities, promotes the exploration of new capability creation, and unifies the system to adapt to local and global conditions. Hazy and Uhl-

Bien also identify the role of information in complex adaptive systems as leadership evolves rules of interactions.

The question this case attempts to answer, then is: *What leadership characteristics are necessary to lead nonprofit organizations through complex changes?*

The Intersection of Conservation and Economic Development: The Case

For a number of years under Jim Walls' direction, Columbia-Pacific RC&EDD had found a niche in habitat restoration. However, by 2001 grants for habitat restoration were changing, no longer allowing grantees to include administrative costs in the proposals. It was getting to the point where the organization would lose money to qualify for these grants, and few private landowners were willing to pay the true cost of the work. Jim saw the writing on the wall, and talked with Terry, the organization's newly-hired grant writer, about other opportunities for Columbia-Pacific RC&EDD, particularly in economic development. Jim suggested the Governing Council name Terry the Economic Development District Director (with no increase in compensation) and the Council, accustomed to following Jim's suggestions, did so.

Jim had begun a project that combined the conservation and economic development sides of the organization, collaborating with the University of Washington's School of Forestry. The School of Forestry had created a Landscape Management System, in which the owner of a forest of any size could estimate how much carbon was in the forest simply by inventorying the trees. The landowner would then be able to set a price to sell as a carbon in the forest as an offset for polluting industries. The international Kyoto Agreement had recently established markets for carbon offsets. While the Bush administration refused to sign the Kyoto Agreement and therefore there was no official market for carbon offsets in the United States, other nations were

creating such a market, and U. S. forest owners could enter it informally. Selling carbon offsets could serve as a source of additional income for forest land owners, which might provide just enough income small landowners would need to keep their land.

Columbia-Pacific RC&EDD was seeking a pilot project, working with the Nature Conservancy for a piece of land it owned in Pacific County, the Satsop Development Park, and trying to develop a cooperative among cottonwood planters. The cottonwood plantations (around 10-20 acres each) had been marketed to some small land owners as a way to make easy money. Cottonwood grows fast in western Washington, and in ten years is tall enough to harvest for pulp. When the cottonwoods had been planted, there was a strong market for the cottonwood pulp; by the time the trees matured, the market had fallen, and there was no profit to make from selling them for pulp wood. The owners let the trees stand, hoping for improvement in the market. Selling the carbon would help the landowners, but all the cottonwood plots were too small for any one owner to be able to enter the market, because the carbon buyers were seeking large quantities of offsets.

Columbia-Pacific RC&EDD collaborated with the Northwest Cooperative Development Association to work on creating a cottonwood co-op. The Pacific Northwest has a rich history in cooperatives. One of the largest hospital systems in Washington state and the largest outdoor retailer were both (consumer) cooperatives. Credit unions, a form of consumer cooperative, were numerous and growing. A large grocery outlet in the Seattle area, Puget Consumers Co-op, was the largest grocery cooperative in the United States. People knew about these strong, large modern co-operatives, but many were not aware of the history of co-ops in the region. Many of the original sawmills in the Pacific Northwest were begun by neighbors pooling their resources together as worker cooperatives. With what seemed at the time vast amounts of timber for the

mills, these co-ops were productive and profitable, and the workers generally stayed with them for a long time. Their equity in the businesses grew, and when they retired and wanted to sell their share, they found that younger workers had not been able to raise money sufficient to buy into them. So, the shares were bought by the wealthy or speculators, and the sawmill co-ops, victims of their own successes, eventually declined into corporations managed by timber barons.

Despite comfort with cooperatives generally, there was too much resistance, or perhaps apathy, to develop a cottonwood co-op. Jim later continued his efforts after retirement from the federal government, founding a carbon sequestration co-op in southern Oregon, but while he was still at Columbia-Pacific RC&EDD, there was slow enthusiasm for it. While Terry and Jim's replacement as Coordinator, Jerry, tried to continue efforts to use the LMS on the Satsop lands after Jim retired, the Governing Council determined it was too complex an issue, and interest in it waned.

Jim was also interested in applying the LMS to a portion of the Olympic National Forest that had been leased as a pilot project. The lessee, Simpson Timber, had grossly over-harvested the tract, planning all along to avoid restoring the area. When the Forest Service tried to enforce restoration, the company sued, won the suit, and the Forest Service did not have the funds to restore the area itself, other than to close it and let it grow back naturally. While the forest would rehabilitate itself, it would take decades eventually happen, it will take decades. Meanwhile, no carbon would be harvested and could be sold as offsets. The carbon sequestration project was innovative for its time and required collaboration. While it ultimately did not pan out for Columbia-Pacific RC&EDD, it laid the foundation for the organization developing a cooperative approach to all its work for the next five years.

At first, Terry had his hands full learning to gather information for the annual Comprehensive Economic Development Strategy (CEDS) for the four-county area, required by the organization's planning grant—the annual grant that paid for his position and some affiliated expenses. When he arrived, the CEDS was simply a compilation of the four EDC's annual plans. With Jim close to retirement, and after he left, Terry urged other economic development agencies, such as the port districts and public development authorities, to add their plans to the CEDS without going through the EDCs. It was extra work for Terry and did not sit well with the EDCs who wanted to maintain control of economic development in their counties, but highlighted the other agencies' work and created a much more thorough and comprehensive economic development strategy for the region. The Governing Council approved Terry's suggested change, adding credibility to the move. Terry brought all changes before the Governing Council for approval before acting on them.

Using this inclusive approach helped the Governing Council begin to think more as a coordinated, region-wide economic development body. Soon, new ideas were being generated. For example, many communities were facing challenges to keeping the region's water pristine from waste water. Not knowing where to turn, they would become invaded by experts from urban areas, typically engineers who advocated for the most expensive wastewater treatment methods. The experts would sell communities on the need for these systems, which would be paid by residents or ratepayers. In small communities, there were fewer people to share the cost, which meant each ratepayer would have to pay a larger share. One example that happened before Columbia-Pacific RC&EDD began working on this issue was in the town where Terry made his residence—Elma. Elma had been sold on a full-blown sewage treatment plant, with a capacity of up to 15,000 residents, because the experts projected rapid business growth because

of the nearby Satsop Development Park. The Satsop Development Park, a financially failed and unfinished nuclear power plant that was being converted to an industrial park by a public development authority, had its own wastewater treatment facility, but its growth was expected to be accompanied by growth in the town to the Development Park. It was slow in expanding as funding for it dwindled and Elma remained a rural community of about 3,000 people. Those residents still had to pay the full cost of the wastewater treatment plant. Many small communities were being sold on such full-blown sewage treatment plants, the most efficient but most expensive wastewater treatment alternative.

In doing some preliminary research on wastewater treatment, Terry learned there were actually about thirty options, from the full-blown sewage treatment plants down to individual septic tanks. While septic tanks were economically efficient, it was difficult for many property owners to keep up with their maintenance, and when one septic tank fails, it can contaminate the ground water of many people. Besides, they are not practical in a high-density area, and often impractical for businesses producing high volumes of waste.

As a region-wide issue, it, might better be resolved by combining resources, rather than expecting individual communities or even individuals to develop solutions. Because there still may be different solutions for different communities—based, for instance, on expected growth, land uses, nearby bodies of water, topography, and other local factors.—the common need was education about the alternatives. Terry contacted the National Environmental Training Center for Small Communities (NETCSC), located at West Virginia University, and began working with it to develop a rural wastewater education project that might serve as a pilot project for rural areas nationwide. Using humor to help get buy-in from the Governing Council, Terry coined the

slogan “There’s more to life than sewage and septic” to highlight the many options available to communities for wastewater treatment.

Expansion of Economic and Community Development

Another project that moved a little quicker was bringing high-speed broadband to the rural region. The region’s communities were too small for private Internet access providers to invest in high-speed broadband, so other ways were explored for bringing it to communities and make the region competitive. A high-speed T-1 line had been laid from Olympia to the Satsop Development Park, and that line needed a backup. Columbia-Pacific RC&EDD worked with the counties to the north on the Olympic Peninsula and State agencies to have the backup loop take an alternate route around the Olympic Peninsula, thereby bringing high speed Internet access to almost all of western Washington. From there, it was a matter of getting access to the “last mile.” While one private provider, CenturyTel, saw an investment opportunity in the last mile in the communities it served, in others the Public Utility Districts made the investment. As public entities, however, state law prohibited them from offering service directly into a home or business and competing with private firms. However, the public utility districts invested in laying lines along highways, greatly reducing the costs for private providers to connect to homes and businesses.

Columbia-Pacific RC&EDD applied for grants to support many of these arrangements. While it never succeeded in getting the regional funding, it encouraged member organizations to seek their own initiatives. One very small private provider in western Wahkiakum County, for example, managed to obtain Rural Utility Service grants to provide high-speed Internet and television access to every one of its roughly 600 very rural customers. When the Grays Harbor EDC took a survey to determine whether there was a market for high speed Internet access in the

Aberdeen and Hoquiam area, and learned that fully 25% of the businesses in the area expected to close within the next year if they could not get it, AT&T suddenly decided there was a large enough market to make the investment there.

Advanced telecommunications capabilities were becoming more important as businesses and consumers increasingly relied on the Internet and sophisticated applications incorporating audio and video which require sustained high information rates. Each of the EDCs in the Columbia-Pacific District established working telecommunications committees to enhance the exchange of information. The EDCs, working with public utility districts in three of the district's four counties, mapped the physical resources to aid communities in understanding and implementing advanced telecommunications technology to strengthen the economy and support education, health care, governance and community well-being. Once all this information became available, it was easier to assist rural businesses in the appropriate incorporation of Internet tools into their operations.

The hope originally was to involve the CELL Center at the Port of Grays Harbor to be heavily involved in this information access and training. The CELL Center was a nonprofit organization that had been established in the late 1990s to educate high school students in the use of computers, but as school districts were shortly afterward able to find their own resources for in-house computer labs, the CELL Center's original purpose had diminished, and it was looking for other computer training purposes. The idea was to expand the services of the CELL Center to offer information technology training to enhance local labor skills, teach local businesses to participate in e-commerce, and offer community technology centers where people could learn about and use computers, the Internet and other technologies, ideally with the assistance of trained youth.

In more remote locations, such as Wahkiakum County, Columbia-Pacific RC&EDD also investigated and shared methods of delivering technology training using the K-20 computer education network in schools. The high school in Cathlamet, the largest town in Wahkiakum County, created a youth “cyber mentors” club; the youth became active in local economic development efforts as trainers in computer uses for small businesses. These participant youth felt increased value in the community and had more invested in it. It was hoped this might encourage them to return after getting a college elsewhere.

As a seasoned development officer for nonprofit organizations, Terry transferred his skills to build relationships by taking time to introduce himself to Columbia-Pacific RC&EDD member organizations and prospective and current supporters and to elected officials at the County, State, and Federal levels who could influence agency funding decisions. The members seemed to appreciate that he went to visit them at their workplaces or attended meetings. Terry collected information about their work, purpose, and aspirations, and made connections between a variety of organizations possible. He had found many connections, even between organizations with very similar concerns, quite weak, so he communicated with member organizations individually and within group meetings to help clarify the similarity of issues and the benefits of seeking outside resources collectively. It sparked renewed vigor among many agencies to seek sources of support in a new, collaborative way, a method most funders encouraged.

To help secure resources, which included information as well as finances, Terry also cultivated and stewarded relationships with staff in federal and state agencies. The conservation side of Columbia-Pacific RC&EDD gave him ready access to a multitude of Department of

Agriculture agencies, many of which were involved in economic or community development of some sort—the Rural Utilities Service, Rural Housing Agency, Rural Business Service, and more. These relationships proved valuable in strengthening the support of member organizations, and later in recruiting new members to Columbia-Pacific RC&EDD.

The Governing Council, recognizing a new economic development niche for the organization, became more risk-seeking. Once Jerry began his role as Coordinator, his first task was to disband the conservation restoration crew, which was costing Columbia-Pacific RC&EDD money to operate. The Governing Council began looking for other activities, and it was willing to try new projects, especially innovative ones. More importantly, the organization actively sought collaboration among its members and with other entities to develop projects.

Terry was sent to an economic development conference in Washington D.C. during his first few months on the job, and brought back new ideas for the rural district to investigate. The work did not always have to be done by Columbia-Pacific RC&EDD—members would sometimes take an idea and run with it. For example, he learned about prescription discounts offered to senior citizens by nearly 75 drug companies in the United States. Health care professionals, including pharmacists, were familiar with the program, but due to its administrative complexity did not have the time to ensure that people who met the qualifications were served. One of the Governing Council members, a newly-elected South Bend City Council member volunteered to take on this initiative. A series of joint meetings were held with volunteers, elected officials and health care professionals to discuss a pilot project in Pacific County. The City Council member set up an informal network of volunteers to do the administrative tasks for the medical service providers to ensure that the program could become fully utilized, first in north Pacific County, and then in south Pacific County. The medical

professionals provided training to the volunteers in dealing with administrative tasks, plus “intake” facilities in three locations throughout the area where volunteers met with recipients to fill out the required forms for each of the applicable participating drug companies. The program was later expanded to north Mason County.

Another idea Terry brought back from the conference that seemed needed in the district was a program called Wheels to Work. Reliable, cost effective transportation is critical to survival in a rural area. It is difficult to get to a job, health care, cost effective shopping or childcare without a reliable vehicle. A lack of reliable transportation is a major barrier to employment for low-income residents of rural areas. In response to this problem, Wheels To Work makes automobiles available and affordable for people moving from welfare to work. Services offered by this program could include:

1. Needs Assessment
2. Financial Literacy Training
3. Loan Guarantee to Credit Union or Bank or 0% loan
4. Negotiation with Dealers
5. Negotiation with Insurance Agents
6. Fuel Mileage Analysis
7. Maintenance Analysis
8. Interest Rate Analysis
9. Individual Development Accounts
10. Personal Financial Support Group

These services enhance and promote economic development by assisting low and moderate-income workers to obtain and retain jobs through reliable, cost-effective transportation. The

individual beneficiaries retain hard-earned money that might otherwise be squandered on high interest rates for auto loans, excess fuel consumption, and expensive maintenance, lowering the risk of losing their jobs.

Staff at Columbia-Pacific RC&EDD could never find the time or expertise to coordinate a Wheels to Work program, but one of its member organizations, Shorebank Pacific, took up the initiative to coordinate with commercial banks and local mechanics and set up the program on a pilot basis. It was so successful the first year, that Shorebank expanded it beyond south Pacific County to the north Pacific County, Grays Harbor County, and Clatsop County in Oregon the second year.

As Terry visited members in south Pacific County, there was considerable concern about what the upcoming Lewis and Clark Bicentennial celebration would mean to the area. The Lewis and Clark expedition ended in Pacific County when the explorers sighted the Pacific Ocean (although the exploration party wintered across the Columbia River in what is now Oregon, thus, Oregonians consider the western terminus to be in their state). An influx of tourists was expected for the bicentennial, which would be a boost to the local tourism economy, but no one seemed to have any idea how many additional tourists to expect. The State of Washington had created a commission to help local communities prepare for the bicentennial and publicize activities. Because of the remoteness of the trail's terminus to the state capital, where commission meetings were held, Columbia-Pacific RC&EDD was asked to participate in these planning meetings to represent the many organizations at the end of the Lewis and Clark Trail. Terry attended, making connections with even more state officials.

The bicentennial would be a commemoration of national significance. However, Pacific County in Washington and Clatsop County in Oregon, both at the mouth of the

Columbia River and the end of the Lewis and Clark expedition, had limited infrastructure, no metropolitan planning organizations, few highways, limited police, fire, emergency management resources, poor inter-agency communication, poor cellular service, limited transit options, small hospitals, small and understaffed city/municipal governments, modest county governments, and often limited water and sanitary resources. Some of the emergency services were provided by volunteers. The Bicentennial commemoration would tax the community's ability to provide almost any additional service level at all. The Coast Guard had already denied a permit to allow up to 5,000 canoers to cross the four-mile wide mouth of the Columbia River 200 years to the date that the Lewis and Clark expedition had—in early November, the beginning of the stormy season. The City of Astoria, across the river from Pacific County, had received inquiries of housing up to 1,000 recreational vehicles; a RV club was trying to organize a coast-to-coast trip, including the last leg to Astoria which could be reached by vehicle from Portland, almost 100 miles, only on two-lane roads.

Local emergency medical service providers and law enforcement agencies had a no-frills system that worked for the area's historic levels of incidents. It was feared that many of these rural first-responder agencies would be stretched beyond their capability. Columbia-Pacific ended up connecting some local responders to federal agencies who jointly succeeded in obtaining new emergency equipment. A coordinated emergency response system was encouraged and local emergency responders found ways to collaborate for funding. The various first responders on both sides of the Columbia River were able to communicate much more efficiently and quickly with the system in place.

That effort was coordinated by a new nonprofit organization partially funded with a grant that Columbia-Pacific RC&EDD prepared and was awarded.

Terry also heard many requests for small business incubation services as he travelled throughout the district. Incubators had been discussed, and occasionally attempted, in various parts of the district. The Port of Shelton had actually built two small business incubators; in both cases the management was loose and tenants did not leave after a set period, turning the “incubators” into permanently shared work spaces. The Port of Grays Harbor built an incubator, but when it could not fill it quickly with tenants, it took the space for a permanent client business. The Skokomish Tribe was considering building a small business incubator, the Satsop Development Park wanted to but did not have the resources to manage it, and The Port of Willapa Harbor was working on creating an incubator specifically for arts and crafts businesses (although, its definition of the arts and crafts was extremely broad).

It seemed that none of the communities had enough businesses needing incubation services to maintain a small business incubator for the long-term. The entire district might, but moving a small business to one community to enjoy incubation services would be detrimental to the community the business left behind. Terry contacted the Washington Small Business Incubation Association for ideas and learned about virtual small business incubators, in which many services were provided or shared electronically. The entire district probably did have a sufficient number of prospective clients for virtual incubation services, and the cost of creating and maintaining a virtual incubator would be considerably less than a brick-and-mortar facility, because less space would be needed (tenants, or clients, would remain in their current locations).

He began researching virtual incubation services and soon learned there were only three in the United States, and only one of them was a true incubator helping clients grow through a contract with a definite time frame. The other two were very flexible with timelines, often extending them when the client business proved unready to move on. The one “true” virtual incubator, in Hawaii, was linked to a brick-and-mortar facility, which made the virtual incubator highly profitable since additional costs were minimal. In the course of researching virtual incubators, Terry came across, and ordered, a document from the National Business Incubation Association that explained how to conduct a feasibility study for a small business incubator. While written for communities or business associations thinking about a physical facility, the questions to ask regarding a market seemed applicable to a virtual incubator as well. Terry approached the Executive Director of the Washington Small Business Incubation Association with the concept of creating, or at least determining the feasibility, of a virtual small business incubator in rural western Washington. The WSBIA director was very intrigued with this innovation and the two developed a productive conversation over the years.

It took three years of negotiating (including two failed grant proposals) with the federal Economic Development Administration to negotiate funding for a feasibility study. The problem was that the Bush administration preferred providing funding for buildings, something they could point to (literally) as a success. It would have been easier for Columbia-Pacific RC&EDD to obtain funding to build a physical small business incubator than funding for a feasibility study. Given the district’s record with incubation services, because virtual incubation was still a new concept, and to maintain the high standards (at least outside the district) of Columbia-Pacific RC&EDD, Terry felt it was important not to

throw money at projects that showed little sign of long-term success; the District had an abundance of those already.

Columbia-Pacific RC&EDD's Reputation

It should be noted at this point that the reputation of Columbia-Pacific RC&EDD outside of the district was stellar. The relationships Terry had developed and his persistence in finding ways to make projects appealing, along with not making promises he could not keep, meant agency administrators from the state and federal government made sure Columbia-Pacific RC&EDD was kept aware of projects they funded in the district. While in most cases this was only informational, it did help coordinate economic development region-wide. Terry spent a lot of time making the time to attend meetings both inside and outside the district. When visiting with government officials, he asked member organizations if there was any information to pass along, or anything to advocate for. He also kept in touch with the officials, both local and state and federal. It paid off more than once, particularly with Department of Agriculture agencies. The most notable example, however, was with the State.

When the Director of the state department of Community, Trade and Economic Development (CTED) moved on and newly-elected Governor Gary Locke needed to appoint a new Director, Terry was watching closely, waiting for news of the appointment. None of the economic development organizations in the district, including Columbia-Pacific RC&EDD, had built good relations with previous CTED Directors, and Terry was determined to use this as an opportunity to develop a strong relationship. Two days after Juli Wilkerson's appointment as CTED Director, he invited her to come visit to discuss economic and community development projects and proposals in the four-county rural

district. To Terry's surprise, she made arrangements (through her secretary, of course) to spend an entire afternoon with him and the federal Coordinator, bringing her new Deputy Director of Economic Development, Victor along.

By this time, Jim's replacement had been hired by the NRCS. Jerry Smith had more than 30 years' experience in forestry, 23 with the NRCS. While he would be continuing the conservation efforts of Columbia-Pacific RC&EDD, when he learned about the economic development work the organization had dived into, he became very excited and wanted to participate in those projects as well. Jerry had two years until his retirement, so he wanted to spend time on projects of interest to him.

The Coordinator of each RC&D is provided a federal car to use to drive to meetings. These cars received regular maintenance, in Columbia-Pacific RC&EDD's case at the garage at the Olympic Forest headquarters (which housed a few other Department of Agriculture offices, including the NRCS) in Olympia. Jerry had little control over the maintenance schedule—it was controlled by the NRCS bureaucrats, and the Coordinator could not change it. The date Juli planned to visit was a day the government car would be receiving regular maintenance. Since she would be spending an entire afternoon with Terry and Jerry, they wanted to take some of that time to show her some local projects. Jerry and Terry decided that they could use Terry's personal vehicle (he would be reimbursed mileage), which coincidentally was the same model as the government car.

Juli and her deputy, Victor, arrived and talked in the Columbia-Pacific RC&EDD office for a while. Jerry proved to be a very good builder of relationships, even if he did not, in his estimation, know much about the economic development projects in the district. Then they all headed for Terry's car. Juli sat in front on the passenger side; Jerry and

Victor sat in the back. Before Terry even started the car, the alert Juli picked up a Wonder Woman toy his son had left in the tray under the dashboard and said to Terry, “I want to hear your explanation for this!” They all got a good laugh, but the statement really warmed everyone up to each other. Much later, when the Weyerhaeuser Company closed three mills in the Aberdeen-Hoquiam area, with a loss of 375 family-wage jobs, Juli called Terry—no one else—to let him know the Governor (by then, Christine Gregoire) wanted to do something to mitigate the loss of jobs, and asked for suggestions.

Inside the district, on the other hand, the organization’s reputation was more mixed. Some organizations, especially member organizations, liked what Columbia-Pacific RC&EDD was doing, and willingly worked with it. Many were neutral. Others, especially most of the EDCs, worked grudgingly with Columbia-Pacific RC&EDD, and thought of it as an annoyance and occasionally a competitor. Terry and Jerry, however, worked hard with the Governing Council to avoid competition with local economic development agencies, preferring to assist when able and to recommend region-wide initiatives, or initiatives that local agencies alone did not have resources to support. To help him understand economic development better, Terry found two mentors, long-time practitioners of economic development. Both were the Governing Council members and he met with each regularly.

Anyway, when Jerry became the new Coordinator, he and Terry hit it off very well, perhaps primarily because they were both flexible. Jerry decided the office in Aberdeen was no longer suitable. It was rented and shared with a bingo hall and cigarette smoke would creep down the hallway to the office twice a week. Jerry arranged for the organization to be moved quickly, to a more modern office. They landed in Montesano,

sharing space with other NRCS field staff and the Grays Harbor Conservation District.

From the start, Jerry made it clear that he would stay in the position only until his planned retirement—two years. It became a very productive and exciting two years of Columbia-Pacific RC&EDD.

From his supervising agency's perspective, Jerry's job was to conform the position to what was legally and contractually allowed. The Governing Council had become dependent on Jim Walls during his tenure, and Jerry clarified the role of the Coordinator very well, although resistance to change caused it to take two years.

When Jerry's replacement, Nancy, first arrived, Terry briefed her as thoroughly as he had Jerry two years earlier. The difference was that this time Terry was the only staff person left. Jerry had recommended that the administrative assistant was not needed, especially after she intentionally injured herself lifting a heavy box she knew she should not and could not lift. Jerry and Terry expected she did it so she could claim disability benefits. When she filed a claim, Jerry fought it for a long time. She eventually had her allowable amount dramatically reduced. While Jerry was still in the position, two interns (one each summer) had been hired, but the conservation crew was gone. Columbia-Pacific RC&EDD did contract with a small team (2-3) for a few remaining habitat restoration projects after Jerry's arrival and continued promoting the University of Washington's Landscape Management System, but took on no new conservation projects.

The Summer of Interns

After Nancy arrived, Terry was able to recruit more interns. Not because of her, but because he began taking even more initiative, bolstered by the reputation Columbia-Pacific RC&EDD had gained. He went to the Evergreen State College intern fair for the second year in

a row, interviewing interested students and letting them know he was flexible enough to create a tailored internship for interested students. He also tried recruiting at an intern fair at the Lewis and Clark Law School in Portland, Oregon attended by law students from a number of nearby law schools. He went there just to explore possibilities and ended up recruiting a first-year law student, Rob Dengel, who was interested in the wide variety of legal projects that Columbia-Pacific RC&EDD member organizations could offer. Terry had asked member organizations if there were any law-related projects they might use an intern for before taking Rob on.

Rob's internship was contingent on two things. First, he applied for a fellowship that would provide a stipend for living expenses. Columbia-Pacific had no control over Rob receiving the Fellowship; it did have complete control over the second criteria—Terry would have to find him housing for the summer. This was more difficult than expected. Terry thought someone in the district would have a spare room, but could not find anyone willing to house a first-year law student. He was bemoaning the possible loss of an intern to Nancy and Terry (a different one who worked for the Conservation District) in the meeting room/lunch room shared by all offices, when in walked Bari.

Bari was a stunningly healthy, competent, confident and easy-going young woman who was employed by the NRCS in the building. She lived in Olympia, thirty miles from work. Her NRCS job kept her in the field most of the time, but when she was working in the office and she would walk into conversations in the meeting/lunch room, she often interjected with a sense of humor that made it easy to talk with her.

Bari walked in on Terry's lament about the difficulty of finding housing for the summer for Rob, and said she would consider sharing her apartment in Olympia with him if he could not find another place. She would not be home much that summer anyway, with conferences and a

planned three-week vacation in Ireland. In return, Terry would have to take her to the airport and pick her up for her trip to Ireland.

Securing Rob's internship for the summer also secured an Evergreen College student. Nancy Crowell needed only an internship to graduate, and was considering law school. She wanted an opportunity to work alongside a law student to find out if law school was right for her. Nancy the intern was sharp, quiet, but could join in the office humor when not preoccupied with her work. She ended up being a great complement to the team, working well with Rob, researching the answers to many of his questions much quicker than he expected, and he soon relied on her. Terry noticed they also had many conversations about law school during the course of the summer.

To avoid confusion with Nancy the Coordinator, Nancy the intern became known as Natasha. One day several people were in the office, including both Nancy the Coordinator and Terry, who ordinarily would have answered a ringing phone. However, both were on other lines when the phone rang again. After it rang a number of times, an exasperated Nancy the Intern picked it up, but fearing the caller might confuse her with Nancy the Coordinator, she told him or her that she was "Natasha," a name she came up with in the spur of the moment. Of course, neither Nancy the Coordinator or Terry had heard that, but the other interns in the office got a good laugh out of it and the name stuck.

Besides Rob and "Natasha," there were two other interns that summer of 2005, making it an exciting, if crowded, time in the office. Rob and Natasha both started in May. Around the same time, Terry was notified that the EDA accepted the grant proposal for the virtual small business incubator feasibility study. Under that grant proposal, Terry was to hire interns to do most of the research. His hope was to hire two to start in the summer (colleges in the area used

the quarter system, not semester, which meant he could still recruit interns during May. The challenge was recruiting interns at all. The only nearby four-year institution was The Evergreen State College in Olympia, and students rarely liked travelling thirty-miles one-way all the way to Montesano, in what was often perceived as a backward county, for an internship. There were only two community colleges within the four-county district. Olympic College had branch campus in Shelton, but the very few Olympic College students who served internships did so at the main campus in Bremerton, nearly sixty miles away.

Fortunately, Terry had two things going for him. First, he had written into the grant a stipend of \$500 a month for each of the interns. Second, the other community college in the District, Grays Harbor College, had recently hired a new President, someone who worked hard to develop relationships in the community. Columbia-Pacific RC&EDD had developed a good reputation, so Terry found it easy to get an appointment with the new President, Ed Brewster. He explained the situation, and Dr. Brewster promised to talk to his faculty to see if they would help recruit interns. Terry learned later, through Brewster's assistant, that he had kept after the faculty until two interns were actually found.

Chrissie Zepp responded to posted notices at the college quickly. She seemed interested in learning, bright, and personable, so Terry hired her to start July 1st. It was not until the latter part of June (after the quarter ended) that a second student finally responded and scheduled an interview. In the interview, Sherry Howard seemed a little cavalier about the position, and Terry did not make her an offer right away. After conferring with Nancy, who had not sat in on the interview so might be more objective, he realized it could work, and took what he thought was a risk, calling Sherry to offer her the internship. Sherry turned out to be an outstanding asset to the project.

The new interns' first day was just getting to know each other, Terry explaining the project, and outlining the parameters. Chrissie and Sherry, in addition to both having finished one year of study at Grays Harbor College, had both attended Elma High School, although had not run in the same circles at either place. Chrissie was studying accounting, Sherry marketing. Both had birthdays in June, so both had just turned 20. Chrissie and Sherry were very smart and both trying to overcome poverty. They conferred about their own strengths and weaknesses, developing how to work together most productively. Chrissie liked online research and working with numbers; Sherry was more outgoing, enjoying talking with people. They explained to Terry what each of them wanted to focus on after being at Colombia-Pacific RC&EDD about a month and a half, and he honored that as much as was practical.

There were many times that the three of them would joke around, Terry laughing boisterously, Chrissie holding her laughter in until it burst out in one loud guffaw, and Sherry having a funny way of slapping her knee. Their ways of laughing would make the other two laugh more, and there were a number of times where they would just have to stop work until they could finally control their laughter. The other interns and Nancy would often join in if they were in the office. Terry felt appropriate humor made work less stressful and relied on it frequently.

The four interns spent July and August sharing the common room space in the office (not the meeting/lunch room shared by all). There was a lot of energy and getting to know each other. Rob, while friendly, had a slightly elitist attitude toward the other interns, because he was a graduate student. But being the only man in the room, he did receive some teasing, and he took it well, probably enjoying the attention.

Having a pro bono law student available for member organizations was an experiment that seemed to work. Rob researched the State's Growth Management Act for the Mason County

Economic Development Council, investigated tribal sovereignty in relation to business opportunities for the Quinault Indian Nation, and drafted changes to the Ilwaco City Code under supervision of the Mayor of Ilwaco, an attorney. For Columbia-Pacific RC&EDD, Rob researched state code regarding alternative wastewater treatment, inclusionary zoning to support more low- and moderate-income housing, the constitutionality of unfunded state mandates, and the legal basis for entering the carbon market. Natasha helped him in the carbon market and tribal issues, and investigated funding opportunities under the 2005 Energy Policy Act by herself. They helped clarify a number of questions for Columbia-Pacific RC&EDD and some of its members. While she enjoyed the internship, Natasha decided against a law career, and Rob, not knowing what type of lawyer he wanted to be, appreciated the variety of projects, learning some types he did not want to become.

As summer ended, those two moved on. Natasha graduated, went back home to Colorado for a while, then went to India to learn yoga instruction. Rob went back to law school. Chrissie and Sherry started college again in September, spending less time on their Columbia-Pacific RC&EDD project, but diving into it with increased vigor when they did.

Terry's approach to supervising them was a coaching approach, meaning that once they understood the purpose and parameters of the project, he provided them with the information he had collected over two years of proposing the project to funders (and the funders' input), and asked them to determine the details of carrying out the project, reporting to Terry regularly. If the interns had questions, his typical response was to ask what they wanted to learn; if he needed more information about any of their proposed actions, he would ask what they hoped to accomplish.

Terry let them know that he was available anytime he was in the office and not on the phone, and gave them his schedule of when he would be out. If the interns had questions or wanted to talk about anything while he was working on the computer, he would stop and give them full attention to show them how important the project was. In addition to being available whenever they needed, he set regular weekly meetings with each pair of interns.

Sherry did most of the interviews of experts while Chrissie compiled information. They all expected Sherry's call to the Executive Director of the Hawaii small business incubator would yield much valuable information. She wanted to make sure she presented her case well, so the three of them discussed preparation for the call at length. While Chrissie did not conduct many interviews, she offered valuable insights, and participated in the preparation too. It took several attempts to get through to the Hawaii incubator Executive Director, and when Sherry finally did, she reported that he was very short with her. She and Terry discussed how some people respond to peers well, but not always to people who don't have impressive titles. Sherry suggested Terry try calling him.

When Terry did call, he introduced himself using his title, and referred to the Director as Dr. (he was a Ph. D.). He responded very favorably. Terry framed it as a learning opportunity for the interns about how people respond to different things—this time it was not the approach, but who was making the approach.

Besides the virtual incubator project (which, thanks to the very capable interns, did not require as much of his time as Terry had expected), in July of 2005 Columbia-Pacific RC&EDD began a three-year grant project in rural community capacity building. This project was working jointly with the Grays Harbor Council of Governments and the newly-established Wahkiakum Community Foundation.

The newly-formed Community Foundation's part of the project was to provide training sessions for nonprofit organizations in Wahkiakum County and south Pacific County. The Council of Governments hired an organizer to convene community meetings in eight incorporated small cities in the county to learn the local concerns, prioritize them, and ensure follow up on them by community members. Columbia-Pacific RC&EDD provided tailored consulting, through Terry, to nine selected nonprofits and communities (others could be added through the course of the grant term). The project was the largest award by the Department of Agriculture's young Rural Community Development Initiative program to date.

This project was another that had taken three years to develop and obtain funding. It had evolved dramatically over the years, with the most important component (to both the funding agency and the future of the district) being the Grays Harbor Council of Government's, added in just the last year of the proposal's iteration. Besides conducting its part of the project, Columbia-Pacific RC&EDD was the fiscal manager and coordinator of the grant.

In addition, Terry had just become an Americorps*VISTA supervisor. He was scheduled to be trained in January, in Provo Utah. It had been quite an effort to convince the state office of the National Service Corps to allow Columbia-Pacific RC&EDD to supervise, recruit, and supervise VISTA members for its member organizations, but Terry had, based largely on the need for VISTA in a part of the state that had never had any—at least any organized by a local organization. The District certainly had communities targeted by the National Service and Americorps—high poverty, low-income communities. Having a local organization manage VISTA members would serve the national organization's mission well. Terry proposed a VISTA member for the new Habitat for Humanity affiliate, but that organization eventually turned down

the offer, and for the Westport Maritime Museum as an anchor to increase tourism in the community of Westport.

In December, Terry let the interns know that they had an option of staying on with the project or leaving so they could focus on their studies. His decision (ploy, really) of starting them in the summer, giving them nearly six months to work on the project had worked—they took such ownership in the project by December that they decided to stay with it through the end. They also liked the stipend, and jobs were difficult to come by for students in Grays Harbor County, which even then had a 12% unemployment rate. And honestly, they enjoyed working together and with Terry.

They learned through the Washington State Incubation Association Executive Director of an international conference on small business incubation that was held in a different city every year. In 2006, it would be held in April in the United States, in St. Louis, Missouri. Although St. Louis was not close to the Seattle area, it was closer than overseas, and Terry had saved enough money from the project's budget to be able to afford to send the two interns, although not him. He applied for the interns to present at the conference; as the Executive Director of the Washington State Small Business Association had noted, Chrissie and Sherry knew as much about virtual small business incubation as anyone in the state except him—they had become experts in virtual small business incubation. Besides updating the Governing Council on their progress, they had made presentations to Terry's Rotary Club, and Terry got them featured in the Montesano newspaper (the feature turned out to be front-page).

The proposal for them to present at the conference was turned down, but they were asked to introduce other speakers. Terry made arrangements for them to spend six days in St. Louis, five at the conference and one day to see the city. They made arrangements with their college

instructors, and Terry let Ed Brewster know. Ed proudly made an announcement in the college newsletter.

They were probably the youngest attendees at the conference. Terry was grateful that the Executive Director of the Washington Small Business Incubation Association, who had attended the conference as well, looked after Sherry and Chrissie and had talked them up there; they received much attention from other attendees. Terry picked them up from Sea-Tac airport on their return, and to celebrate their successful trip, told them they could eat anywhere they wanted on the ninety-mile drive home. They chose Applebee's.

The interns said they wished they had attended at the beginning of the project because they had learned so much at the conference, but, of course, there was no such conference at the beginning of the project year. When returning to the office, they focused on compiling all their information into a final report and recommendation, and, of course, on finishing their college coursework in order to receive their Associate degrees.

Methodology

The research question was: *What leadership characteristics are necessary to lead nonprofit organizations through complex changes?*

The pragmatic paradigm in research is real-world oriented and practical; data is collected by what works to address the research question (Creswell & Clark, 2011). Operating in the pragmatic paradigm, this case study assesses whether the organization followed the characteristics of complexity leadership theory.

The case study is a complete participant observation supplemented with documentary material. *A priori* codes consisting of CLT leadership attributes were used (Merriam & Tisdell, 2016). As a complete participant in the study, the researcher risked affirmation bias, seeking out details that confirms what he already feels (Kahneman, 2011). To help mitigate this, it was member checked through in-depth interviews with two key informants in the organization regarding activities, outcomes, and theories of change—Jerry, the retired Coordinator and a Governing Council member who became President of the Council after the period of this case.

Lincoln and Guba (1985) explain several ways to increase the trustworthiness of qualitative research. Credibility, transferability, dependability, and confirmability often substitute respectively for internal validity, external validity, reliability and objectivity used in quantitative research. Credibility is when data are believable from the perspective of study participants (Lincoln & Guba, 1985). Key informants used in this case to member check the information were used to increase credibility. Other methods of trustworthiness—transferability, dependability, and confirmability—focus more on processes during and after data collection. Transferability refers to allowing the findings to fit within similar contexts (Merriam & Tisdell, 2016). Transferability is a common concern with case studies. Dependability, or consistency,

refers to *post hoc* results that are consistent with the data collected but account for dynamic contexts. Using audit trails to ensure others understand how a researcher arrived at her or his findings, and the researcher clearly positioning herself or himself in the study are two ways to improve a qualitative study's dependability (Merriam & Tisdell, 2016), both of which are provided in this study. Finally, confirmability typically occurs during data collection and analysis, and involves using peer review of protocols, transcripts, coding and analysis, and interpretation through the provision of an audit trail (Merriam & Tisdell, 2016). Submission to the Leading Change conference will serve as confirmability.

The case considers a complexity leadership theory of transformational organizational change (and impact) by analyzing the data and providing thick descriptions considering the processes of how the change occurred. Data was collected, coded and analyzed using Glaser and Strauss' (1967) constant comparative method of searching for patterns. The approach led to a post-modern perspective of research "at the edges" of universality.

Findings and Discussion

The following themes are developed in the case:

- Assessment of community needs and available resources to meet them;
- Motivating people in the community through transparency and positive psychology;
- Negotiating the intersectionality of programs;
- Adopting complex organizational environments and finding ways to collaborate with other organizations.

Nonprofit organizations are motivated by multiple factors. External opportunities and threats are typical drivers of change. Inadequate progress presents opportunities. Many rural areas experience a decline in industry and business. Frequently, supportive funders urge a

greater focus on economic development to reduce chronically high unemployment and poverty rates, even incorporating natural resource initiatives into their definition of it. Internally, changes in leadership also open opportunities for change.

The dramatic change in Columbia-Pacific RC&EDD resulted from an acknowledgement of its complex environment and the decision to exploit complexity rather than, as is traditionally taught and expected, deflecting it. The organization transitioned from a strictly conservation organization to taking on multiple projects using a variety of means and collaborations. Some of the collaborations involved the member organizations working together, sometimes with support from Columbia-Pacific RC&EDD resources, sometimes without its assistance. Many collaborations involved organizations and even networks of organizations external to the four-county District. Initiatives developed by many of the collaborations had no strategic plans, but explored opportunities strategically until success was eventually met. Multiple, simultaneous collaborations with flexible planning resulted in a highly dynamic, highly-networked environment in which to operate—a complex adaptive system.

Leadership enabled learning and adaptation, via interactions among participants, rather than directed change. Leadership disrupted existing patterns of behavior by introducing or by openly addressing eleven dimensions of leadership in complex adaptive systems. Leaders were not only the nominal leaders of the organization and they acted interdependently when they took on new initiatives. The nominal leaders at Columbia-Pacific RC&EDD did play a key role in the change that occurred, not by using legitimate power to specify or direct change but by catalyzing conditions for change—creating conditions that allowed for the emergence of such change, including distributed leadership and referent power.

The participants in this newly-acknowledged complex system destabilized rather than stabilized the organization by establishing continual evaluation and adaptation. Participants in Columbia-Pacific RC&EDD encouraged the organization towards disequilibrium by introducing uncertainty and comfort with complexity, a state from which novelty could emerge. At the same time, participants also provided some order (sensemaking) by interpreting and giving meaning to the actions that emerged from the disequilibrium using a positive psychology and asset-based approach. Participants were swept up in behaviors of collective innovation as progress was made. By encouraging non-linear interactions, participants encouraged each other and the organizations they represented to be innovative, rather than assuming complete responsibility for innovative ideas.

As the radical shift in identity began to emerge at Columbia-Pacific RC&EDD, participants spent less time talking about how to turn around a stagnant organization and more time talking about the best ways to serve their constituents and communities. Finally, it was found that by using an appreciative approach the language used suggests that managing words rather than people is important in encouraging change. The language that is adopted helps people understand what is happening in the organization.

A unique feature of the organization studied in this case was that leadership was shared among Governing Committee members and staff. At Columbia-Pacific RC&EDD encouragement toward instability and a natural tendency toward stability became balanced differences in style found in shared leadership, keeping the system from swirling into complete chaos. The Governing Council was likely energized by a number of (small) successes, such as the Wheels to Work programs and SeniorRx. Many member organization representatives witnessed the ability to provide service through initiatives that were regional in scope, such as

the telecommunications project to bring hi-speed broadband to all residents who wanted it and the coordination of Lewis and Clark Bicentennial planning across regions. The enthusiasm of staff to accomplish regional projects and develop strong relationships with outside, institutional supporters, as well as to explore innovative (to the district) initiatives was infectious. Governing Council members and staff worked in tandem to support each other and used the expertise developed by multiple stakeholders to refine proposals.

The positive psychology approach is likely to have played a role in motivation. Positive psychology derives from Locke's philosophy that people generally wish to lead fulfilling and productive lives and are willing to build on their strengths to enhance their lives. As social creatures, positive psychology strengthens community-building because every participant feels they have a valued role. Elements of positive psychology can be found in transformational leadership (Burns, 1998), in that it helps supporters become more complete human beings, using emotional intelligence, values and ethics, and focuses on long-term goals.

Elements can also be found in authentic leadership. In authentic leadership leaders develop intrinsic characteristics (Walumba, Avolio, Gradner, Wernsing, & Peterson, 2008). George (2003) focuses on leaders becoming purposeful, value-centered, relational, self-disciplined, and compassionate. In nonprofit organizations where supporters and staff are frequently passionate about the cause, authentic leadership is often appropriate to help them feel their contributions are valued (Vroom, 1964).

Participation increases motivation and productivity (Northouse, 2018). It encourages diverse opinions and innovation when all staff (and sometimes volunteers) consult with each other, obtains ideas and suggestions, and integrate each other into decisions about how to proceed. Treating all participants as fully capable of doing the work and doing it well is fair and

usually results in greater job satisfaction, commitment, and cohesiveness. They get along better and help each other do their best (McGregor, 1960).

Columbia-Pacific RC&EDD participants began to realize the region held most of the tools it need to resolve many of its problems. An appreciative attitude helped participants feel valued, increasing their investment in the organization's work. Expectancy theory (House, 1996; Vroom, 1964) suggests people will be more highly motivated when their participation leads to desired outcomes. This helps them understand their competence. Most member organizations wanted to provide services or improvements to the livability of their communities—in other words were mission-driven—and felt valued when they could actually accomplish some of the goals for their constituents.

Rather than becoming defensive about pressures from outside funders, Columbia-Pacific RC&EDD inventoried its assets and local resources available to it, and turned toward cooperation rather than competition. If funding was not available to certain parts of the district, others ways of fulfilling projects were shared. For example, the Western Wahkiakum Telephone company qualified for certain Rural Telecommunications grants from the USDA because it served such a small population. Large entities in the district were unable to access the same grant programs, but the telephone company shared other options it had researched and not taken. Some of those unused options were used in Mason and Grays Harbor Counties to provide high-speed Internet service.

Columbia-Pacific RC&EDD had become languid after years of few initiatives. It needed, and received, new, outside energy to help it realize its potential. It got that energy, not only from Terry, the economic development district director and Jerry, the federal Coordinator but also from the organization's own increased legitimacy with stakeholders. Participants pursued

outside resources to fill local gaps, coordinated projects, and Governing Council members remained engaged. Terry and Jerry were particularly adept at drawing out the potential in member organizations and their representatives on the Governing Council. They insisted on the Governing Council making program decisions, and kept the Council Chair updated on all suggestions and strategies. Terry also maintained a close mentor-mentee relationship with two local economic development experts, and both Terry and Jerry kept outside stakeholders informed of progress on initiatives of interest. The reputation they helped develop for Columbia-Pacific RC&EDD opened new opportunities for the organization and many of its constituents. For example, the relationship developed with the Director of the state Community Trade and Economic Development department led to support that many believed would go elsewhere in the state.

Not all participants in Columbia-Pacific RC&EDD were satisfied. The Economic Development Council Executive Directors in most of the counties felt threatened by the success of Columbia-Pacific RC&EDD. They seemed to be more interested in their reputations than in cooperating and participating in the success. This may have much to do with the personalities of the various Executive Directors and the pressure they felt to succeed, particularly after a failure to attract a large steel manufacturer to Grays Harbor County. Other economic development agencies, such as the public development authorities, various Port districts in Pacific and Grays Harbor counties, public utility districts, and emergency medical services and first responders began to align with Columbia-Pacific RC&EDD more than the respective Economic Development Agencies to seek outside funding for projects. This is perhaps due to Columbia-Pacific RC&EDD being willing to spend more time developing relationships with those entities.

Most leaders have a preference toward task-orientation or relationship-orientation based on their personal strengths and behaviors. Effective leaders will consciously find a balance on the task-relationship continuum (Northouse, 2018), but in times of stress will often revert to their orientation preference. Ineffective leaders are usually not even aware of their personal preferences. Terry and Jerry were both very relationship-oriented. The Governing Council itself, on the other hand, was more concerned about success than maintaining strong internal relationships. This balance on the task-relationship continuum worked well for the organization. Communication, transparency, and mission were fundamental in achieving sustained nonprofit success.

While many members of the Governing Council participated in the organization's initiatives, coordination was mostly left to staff (here including the federal Coordinator), with the office serving as the clearing house of information. Staff also typically represented the organization to funders and agencies (such as the Washington Lewis and Clark Bicentennial Commission and the Rural Advisory Committee), legitimating shared the power of Columbia-Pacific

The organization took an holistic systems approach toward its complex adaptive system. Governing board members became highly engaged, enthusiastic participants and co-leaders guiding the organization to significant impact. When the organization's participants embraced complexity, Columbia-Pacific RC&EDD developed a strong reputation for innovation and impact. Managing change internally through the use of asset-based approaches had implications regarding how it partnered with other organizations throughout its service area. This case demonstrates the need to balance task and relationship orientations (Northouse, 2018), continual

flexibility to respond to changing environments (Hazy and Uhl-Bien, 2012) and techniques for motivating community change (Plowman, Solansky, Beck, Baker, Kulkarni, & Travis, 2007).

Conclusion

Columbia-Pacific RC&EDD's transition utilized a variety of means. Some collaborations among member organizations benefitted from a catalyzing effect found by staff. Sometimes member organizations collaborated without direct assistance, driven by a new cooperative spirit. Many collaborations involved organizations and even networks of organizations external to the four-county District. Multiple, simultaneous collaborations resulted in a highly dynamic, highly-networked environment in which to operate, always driven by the mission.

Leadership was participatory and shared, catalyzing learning and adaptation via interactions among participants. Existing patterns of behavior were disrupted by introducing or openly addressing eleven dimensions of leadership in complex adaptive systems (Fernsler, 2017). Change occurred not by using legitimate power to specify or direct change but by creating conditions that allowed for the emergence of such change (Uhl-Bien, Marion & McKelvey, 2007), especially distributed leadership and referent power.

By allowing non-hierarchical interactions, participants encouraged each other and their organizations to be innovative in meeting the mission and serving constituents. The participants encouraged disequilibrium by introducing uncertainty simultaneously with a comfort with complexity, creating a dynamic tension from which novelty could emerge. At the same time, they provided some order by interpreting and giving meaning to the actions that emerged from the disequilibrium. Participants were motivated by successes into behaviors of collective innovation.

Postmodern perspectives make the relevance of this case to other organizations and even the same organization under different circumstance difficult. However, demonstrating the presence of the elements of complexity leadership theory makes this case applicable more broadly. As the radical shift in identity began to emerge at Columbia-Pacific RC&EDD, participants spent less time talking about how to turn around a stagnant organization and more time talking about the best ways to serve their constituents and communities. A discussion of how this organization successfully adopted complexity may benefit leadership practitioners to find ways to maximize their own organization's impact.

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Appendix 1

Budget 07/2005 - 06/2006

	Total year
Income	
Contract and consultation income	9,224.00
EDA grants	
Planning grant, 2005-2006	60,000.00
Virtual Incubator	25,500.00
FC Online Cost share	1,000.00
Grant administration income	0.00
Interest income	200.00
Memberships	11,000.00
Miscellaneous income	400.00
USDA NRCS funds	5,000.00
USDA RCDI grant funds	101,076.00
Total Income	213,400.00
Expense	
Accounting fees	5,000.00
Development Director pay/benefits	46,000.00
Dues expense	300.00
EDA Grant expense	
Planning grant, 2005-2006	27,500.00
Library expense	1,500.00
Insurance expense	1,200.00
Interns	6,000.00
Miscellaneous expense	200.00
Newsletter expense	0.00
Office equipment expense	0.00
Office supplies expense	300.00
Office support	5,000.00
Payroll expense	1,440.00
Postage/shipping expense	160.00
Travel expense	4,100.00
USDA RCDI grant expenses	112,300.00
Utility expense	2,400.00
Total expenses	213,400.00
Monthly income v. expense	0.00

Appendix 2

Columbia-Pacific Resource Conservation & Economic Development District Members

Member	Representative
City of Aberdeen	Lisa Scott
City of Cosmopolis	Loren Williams
City of Hoquiam	M. Dean Parsons
City of Ilwaco	Ed Leonard
City of Long Beach	Ken Ramsey
City of McCleary	Brian Shay
City of Oakville	Buck Meile
City of Ocean Shores	David Weiser
City of Raymond	Mike Runyon
City of South Bend	Karl Heinecke
City of Westport	Randy Lewis
Coastal Community Action Program	Troy Colley
EDC of Mason County	Jay Hupp
Grays Harbor Chamber of Commerce	LeRoy Tipton
Grays Harbor Conservation District	Terry Nielson
Grays Harbor County	Charlie Marr
Grays Harbor EDC	Michael Tracy
Grays Harbor Historical Seaport Authority	Les Bolten
Grays Harbor Public Development Authority	Don Wallace
Lower Columbia EDC	Richard Erickson
Mason County	Wes Johnson
Mason County Conservation District	Mike Madsen
Mason County PUD #3	Joel Myer
Mason County Transit	Connie Behrens
Pacific Conservation District	Mike Johnson
Pacific County	Pat Hamilton
Pacific County EDC	Linda Rotmark
Pacific County Friends of Lewis & Clark	Jim Sayce
Pacific Transit System	Tim Russ
Port of Grays Harbor	Diane Souron
Port of Peninsula	Howard Teague
Port of Willapa Harbor	Rebecca Chaffee
Quinalt Indian Nation	Max Stocks
Shoalwater Bay Indian Tribe	Steve Spencer
Shorebank Pacific	John Berdes
Town of Cathlamet	Brett Deaton
Wahkiakum Conservation District	Norman Bolton
Wahkiakum County	George Trott
Wahkiakum County PUD	David Trambly
Wahkiakum Port District #2	Carlton Appelo
Willapa Gillnetters Association	Ron Craig



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