

The Southern Character City Commission

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The Southern Character City Commission case presents the relevant history and status of a non-profit corporation established by a city mayor to address problems not only within city government, but also within a racially and socioeconomically divided community. Supported by a national trend toward community character education initiatives, the Commission was chartered to target all parts of the community with character programs. After its initial success at fundraising and generating enthusiasm, the all-volunteer organization encountered leadership problems, unsustainable programs, and ensuing apathy. A core group of volunteers remains committed to achieving to the original goals of the Commission. The objectives of this case include students learning to: (a) recognize the importance of leadership in establishing a vision, mission, and goals, (b) understand motivation in a volunteer organization, (c) assess the appropriate structure for an organization, and (d) develop a creative course of action for a challenging social program. This case is appropriate for courses involving social issues, public administration, organizational behavior, and organizational theory.

The Southern Character City Commission's roots date back to April 1999 when a team of concerned citizen's joined Southern Mayor Charles Burns in conceiving a group that would champion the cause of community-wide character development and education initiatives. A similar initiative was underway in nearby Chatham and the Chatham Mayor informed the Southern Mayor of a national organization called the Character Training Institute (CTI), Inc. The International Association of Character Cities (IACC) is a division of CTI that helps cities to develop the initiatives to become Cities of Character.

WHY CHARACTER?

The impetus for proactive character education stems from the 1980's and early 1990's when school systems began reporting a disturbing number of problems that were eventually deemed to be personal character issues and related to a breakdown in the moral fabric of society (Communitarian Network, 2004). The Character Education Partnership (CEP) suggests that

“Character education is a national movement encouraging schools to create environments that foster ethical, responsible, and caring young people. It is the intentional, proactive effort by schools, districts, and states to instill in their students important core, ethical values that we all share such as caring, honesty, fairness, responsibility, and respect for self and others.” (2004, para. 2)

As a result of this national movement, organizations like CEP, CTI, and the Communitarian Network were formed. Although one might expect such groups to be grass-roots efforts, these associations were anything but low-profile. The Communitarian Network was established by famed sociologist Amitai Etzioni at George Washington University. President Clinton spoke at the first Communitarian Network meeting in 1996, followed by Hillary Clinton in 1997 and Vice President Gore in 1998. The meetings included visits to Capitol Hill and sessions with prominent statesmen like Senators Alan Simpson and Joseph Lieberman. CEP was backed by Sanford N. McDonnell, the Chairman Emeritus of McDonnell Douglas Corporation and the current CEP Chairman. CTI was piloted and developed by Tom Hill, the COO of Kimray, Inc., a manufacturer of oil and gas equipment and controls. When Mr. Hill realized that he was spending more time dealing with personal problems than with manufacturing issues he knew that something had to be done. He claims that his initiatives decreased workers compensation costs by 80% and increased profits by 25% in the midst of a depressed market (CTI, 2004). Tom Hill has taken his initiatives worldwide through the IACC organization.

By the mid-1990's character development initiatives had begun at the three major U.S. Military service academies and the branches of the military had established and trained core values. By the end of the 1990's and early into the next century an even greater need for character surfaced with the exposure of Presidents Clinton's personal problems, business ethics issues in firms like Enron and WorldCom, and the exposure of problem priests in the Catholic Church. Mal Wakin, U.S. Air Force Academy Philosophy Professor Emeritus claims that there were only two centers for ethics in the U.S. during the mid-1970's, but by the year 1999 there were over 1,400 such centers.

THE CITY OF SOUTHERN

Mayor Burns saw character initiatives as a way to address problems not only within city government, but also within a racially and socioeconomically divided community. With a crumbling city infrastructure, decreasing tax-base, and traditionally poor secondary educational performance, the mayor sought a solution that would address the heart of the matter. Unfortunately, Mayor Burns was already scheduled for community events when the Annual CTI Conference was planned, so Dave Blanchard, an acquaintance and member of the initial group of concerned citizens agreed to attend in the mayor's place. Dave

returned with the contacts and information needed to establish the Southern group. In the ensuing months various community leaders were informed of the Mayor's intentions and in August 1999 a day-long seminar was conducted in Southern by trained CTI facilitators. Over 200 community leaders and concerned citizens from various groups including business, government, education, and faith-based organizations attended the daylong training session.

CTI's program promotes a standard template for the introduction of character initiatives into the classroom and the workplace. Particular activities include the posting of monthly character words, bulletins, application to classroom lessons, and emphasis at meetings. Teachers and managers are trained how to praise students and employees for good character, as opposed to evaluating only their task performance. CTI's marketing efforts suggest that organizations experience significant improvements in productivity and dramatic decreases in negative behaviors such as tardiness and absenteeism soon after character initiatives are in place. They charge approximately \$2,500 per day plus facilitator expenses for the training that normally involves 25 to 30 people. The August training of 200-plus people was a unique occurrence since it was the initial effort made to launch the program.

Both the local newspaper and participants deemed the inaugural event a success and much enthusiasm ensued. Soon thereafter, Dave Blanchard assumed the role of de facto leader and the group moved to organize and achieve designation as a 501(c)(3), non-profit corporation. Prior to attaining that tax-exempt status, the group held a highly successful fundraising luncheon in October of 1999. Mr. Tom Hill of CTI spoke and touted the success of the character program at Kimray and other corporations around the country. Various community groups and businesses sponsored this event that raised approximately \$48,000 and placed the Southern Character City Commission (SCCC) on firm financial footing.

ORGANIZATION

By February of 2000, the SCCC was formally chartered as non-profit corporation. Dave Blanchard led the effort to form a Board of Directors and became its first president. The board was comprised of 36 people including an executive committee consisting of the President, Vice President, Secretary and Treasurer. Based upon CTI's recommended structure, the remainder of the Board was organized into sectors to reach and serve the various parts of the community.

A sector head was elected to each the following sectors: Business, Faith, Family, Government, Media, Public Education, and Private Education. In addition to sectors, the board

formed committees for fundraising, training, special events, finance, and administration and communication. Most sectors and committees consisted of only one or two SCCC members. Since the SCCC was still in its infancy, all members agreed to meet monthly in addition to monthly sector and committee meetings. No particular guidance or training was given to the new sector and committee heads, but the CTI design called for each sector to develop relationships with their respective organizations in the community and promote the CTI character program. The training committee would then coordinate the training events for any interested organization within a particular sector. The fundraising committee was tasked to develop and sustain sources of financial support for the training while the events committee would organize the forums designed to draw interested financial supporters.

ISSUES

Two fundamental issues arose during this time period. In accordance with the by-laws, there were 36 elected members on the board. Since the meetings were being held monthly, there were few times when the required two-thirds quorum was present in order to take a vote and approve significant expenditures and actions by the SCCC. The board was comprised of doctors, lawyers, pastors, teachers, company presidents, non-profit heads, businesses persons, and political figures. The meetings were being held on weekdays at 4:30 p.m. and although that time was changed to 11:30 a.m. it did not improve attendance.

The lack of SCCC progress fueled concerns by busy professionals about wasting their time and revealed other concerns about the SCCC leadership. One problem appeared to be that there was no clear means for members to get their issues and ideas placed on the agenda. When their concerns were aired at meetings, the members were told to take the initiative within their sector to do something, but it was unclear what they were to do and how it would fit into the SCCC plan. This resulted in some sectors taking uncoordinated actions and the President chastising them for trying to strike out on their own. Various members expressed concern about a lack of vision and the unclear purpose of the SCCC.

Sector heads felt that they did not have enough guidance regarding their mission or the ambiguous product that they were trying to promote. Character development was considered ambiguous enough without clouding the means to achieve it. The only products made available to the SCCC were those published by CTI. Although these materials were considered to be among the very best available, they were not suitable for all targeted sectors of the community. By the year 2000 CTI had developed materials only for elementary and the lowest levels of secondary education. Although CTI planned to produce additional materials, the existing ones were not universally appealing to adult em-

ployees or high school students. At least one board member who had prior experience with character education suggested that other materials be developed or sought. In particular, he argued that adults should be exposed to ethical decision-making models, but the president generally ignored that view and continued to favor CTI.

SOME PROGRESS

Since the CTI materials were appropriate for elementary grades the SCCC had agreed to spend \$25,000 to buy the initial set of materials for the local school system in the year 2000. The Board of Education greatly needed the materials because the state had mandated character education programs, but provided no funding. Thus, the SCCC offer to buy \$25,000 worth of materials was well received and the Board of Education agreed that they would budget for this expense in the future. One flaw in this process was that the teachers were not trained in the use of the materials. The bulletins were merely distributed to the elementary teachers to be used at their discretion.

The Business Sector was headed by Pam Summer, a very committed and active business owner. Her sector developed a complete package for presentation to local businesses and she recruited SCCC members at-large to take the presentation to various business contacts, which they did. By August 2000, a training event was conducted and attended by 32 local business people, but they represented only four different organizations. As an incentive, the registration fee was subsidized by SCCC and reduced the cost per person to only \$50. Ron James, an attendee and the human resources manager at a major textile producer was very interested in the program and agreed to attend future meetings and support the SCCC.

In February of 2001, a second and less successful fundraiser was held that netted approximately \$24,000; however, \$5,000 of that was given by the guest speaker who is a well-known philanthropist. During that spring, the Board approved \$14,000 in expenditures for printed materials for distribution to schools and community groups. In addition to training and informing its members, the Board also moved to motivate its members by sending a contingent to the annual CTI Conference of Character Cities and associated travel expenses totaled approximately \$12,000. After attending this conference, Ron James decided that he could achieve the same results for his firm on his own. He felt that the CTI materials promoted by SCCC were insufficient for his needs, so he had done some searching and found others. Ron shared his views at the subsequent board meeting and after leaving that day was not heard from again.

The SCCC sponsored a Chamber of Commerce Member Breakfast in August of 2001 attended by approximately 50 heads of local businesses. Mayor Burns and Dave Blanchard

briefed the program and an SCCC member was seated at each table to answer individual's questions. Registration materials were supplied for a future training day that would cost \$195 per participant. By the deadline two weeks later, only four people had registered the event was cancelled.

PROBLEM RECOGNITION AND ATTEMPTED RECOVERY

Both the leadership and members were well attuned to the problems and the lack of any significant progress or accomplishments by SCCC over its two-year history. Mayor Burns seemed particularly disturbed by the high turnover on the board. He had heard from numerous professional contacts and friends who left the board that they could not serve under the current leadership. The leader's interpersonal style was obstructing any hope for progress on an already challenging mission. Board discussion over these concerns culminated in the agreement to conduct a full-day SCCC Board retreat in October of 2001. The objective for the retreat was to regroup and determine the members' roles, as well as the mission of the SCCC in the Southern community. The day was professionally facilitated and most members left with an agreed upon mission (See Appendix I), some direction and a newfound motivation. Others left concerned that the vision to become John Winthrop's *City upon a Hill* was too abstract to serve as an operating guideline.

THE TALE OF THE THREE PRESIDENTS

Dave Blanchard. As of 2004, the SCCC has its third of three presidents in place. Dave Blanchard had proven to be a very strong-willed, but entirely autocratic leader. He was an energetic emergency room doctor accustomed to barking orders and receiving immediate compliance. During his two-and-a-half year tenure, approximately 75 different citizens and professionals had been board members or active participants in SCCC activities. By late 2002, meeting attendance had dwindled to six or eight faithful souls. Many of these volunteers are said to have left the board due to the president's demanding and non-participative leadership style. Dave was considered unwilling to entertain any affiliations to character training other than through CTI. This was particularly troublesome when trying to promote juvenile materials to business professionals. The Mayor was concerned about this issue and proposed some solutions, but these were not well received and a rift appeared between the Mayor Burns' deft political manner and Dave's autocratic, alienating style. Some prominent and influential contacts developed by Mayor Burns left the SCCC Board after only a two-month tenure when they realized that the ship was rudderless. The last words offered to the SCCC Board by a very influential and recently retired television industry leader were, "These are busy people and they want to help, but you need to tell them specifically what you want them to do." His words fell on deaf ears and he never returned.

Bobby Lee. In last meeting of 2001 these issues came to head when Bobby Lee, a prominent business owner who usually exhibits effective leadership skills lost his cool during a meeting. Bobby had personally built a highly successful construction firm in Southern and currently employed 93 people. He openly criticized Dave Blanchard of rejecting fruitful ideas, being unwilling to change, precluding the SCCC from doing anything worthwhile and wasting people's valuable time. Dave immediately looked relieved when Bobby said, "I quit" and stormed out of the meeting; however, two board members got up and ran after him. Minutes later the two had convinced Bobby to return to the meeting and he did. During the annual officer elections two months later, Bobby Lee defeated Dave Blanchard by a vote of 14 to 13 to win the Presidency. Dave subsequently refused to serve the SCCC in any future capacity.

Unfortunately the leadership shakeup occurred in the midst of preparations for the annual fundraising luncheon. Although the luncheon took place, both income and attendance were down. The \$12,000 generated was less than half of the prior year and only 25% of that earned first year. To make matters worse, a locally prominent speaker agreed to substitute when problems arose with the primary speaker, but during his talk he indicated that his role in the event was not made clear and he implied that his agreement was based upon false pretenses. This did not bode well for the SCCC since the basis for its existence was to promote good character.

During 2002 Bobby Lee ran efficient meetings and showed enthusiasm for the SCCC; however, he lacked or failed to develop a long-term vision and plan for the commission. Based upon his community stature and political connections he attempted to promote the SCCC at the highest levels of exposure. He asked for board approval to purchase promotional materials including coffee mugs, ball caps, pens, bumper stickers and similar items to distribute at meetings. His efforts were sincere but the remaining active members felt as if he was working alone and not leading them in any particular fashion. Although the members were not endeared to him, Bobby was considered to be a likable, caring, outgoing, democratic, and a generally good leader. The lack of vision meant that the coalition did nothing of importance during the 2002 year; although most believe that Bobby would have supported them in achieving any initiative that they were willing to take on their own.

The main legacy of the second president was to disband the sector form of organization, institute bimonthly meetings, and reduce the size of the Board from 36 to 24 people. He also instituted a basic committee structure for events, fundraising and training. It was during this time that Pam Summer resigned because she felt that she had been wasting her time. Bobby Lee spent about \$5000 on promotional materials, leaving the SCCC with a substantial supply of ball caps, coffee mugs, pens and stickers. In January of 2003 Bobby phoned Jack Burden, a board member who had been with the SCCC since its beginning. Bobby asked Jack to meet him at his office to discuss the SCCC. During the meeting,

Jack was asked to consider assuming the SCCC Presidency. If Jack agreed then Bobby would promote his candidacy with the Board at the upcoming election. Bobby Lee indicated that his interests lay in other political positions and that he had served his usefulness in wrestling the SCCC from a problematic leader, stabilizing it for a year and keeping it alive. Jack agreed to accept the nomination and was voted in at the next meeting.

Jack Burden. The basis of the Jack Burden's credibility was prior experience in character development programs with the U.S. military. Jack had always maintained that the CTI materials were inadequate for a whole community to get involved in character education. In particular, the CTI materials lacked emphasis on the ethical dilemmas and decisions that adults routinely face. To achieve the SCCC goals, an entire program would have to be developed and tailored to the needs of the Southern community. Jack also knew that major community leaders must be brought on board because character and ethics programs work only when promoted from the top down. The major difficulty Jack saw was that these things were normally done by full-time, paid professionals. The task was challenging enough with a full-time staff and a captive audience, so how could this be done with an all-volunteer force? Secondly, it was a big challenge to convince people of the need for character development programs when the SCCC could not prove a short-term connection to the financial bottom line. Few disagreed about the need; the issue was whether or not to expend resources on character programs in a questionable economy.

In addition to experience, Jack's assets included a deep commitment to the idea that genuine and effective programs can have a positive impact upon a person's character at any age. He never subscribed to the idea that monthly words on a marquee or distributing bulletins would change anything for adults. In contrast, adults must learn the processes needed to recognize and appropriately handle ethical dilemmas. Jack also believes that the SCCC should sever its relationship with the IACC and CTI except to utilize the CTI materials only in appropriate contexts. In 2002 the SCCC had asked CTI for permission to tailor their one-day seminar in order to make it available to busy business leaders in less time. CTI made it clear that SCCC had no authority to do that and that CTI would hold SCCC accountable for copyright infringement if SCCC attempted any such actions.

Through the remainder of 2003 Jack Burden held board meetings and solicited feedback for actions and vision. He also met monthly with his executive committee. Initially, he conceived the idea to convene a luncheon attended by about two dozen major community leaders and hosted by the Mayor to discuss ways to make the character initiative more viable in Southern. By the end of 2003 time ran short and scheduling the heads of major community organizations in a workable fashion did not seem viable. Since the Board was now down to a faithful 6 or 8 people, Jack determined that the next best move would be to hold an informational luncheon and recruit new board members. The luncheon was

held in February of 2004 and billed as the Mayor's Annual Character and Leadership Summit. In order to minimize the cost to SCCC, dormant board members were not invited to the luncheon. Forty-five new professional contacts solicited from the Mayor and the board members were invited to the luncheon and 34 attended.

During the luncheon the Mayor delivered a 10-minute talk on the history of the SCCC and his goals for character development programs in Southern. Jack Burden followed with a presentation of his vision and strategic plan for the SCCC. Jack's long-term vision is shown in Figure 1 and emphasizes a physical location and paid staff:

- 1 to 2 Years: Establish a Physical Location
- 2 to 5 Years: Lease & Staff Office
- 5 to 10 Years: Establish a fully functional Character Institute

FIGURE 1. THE SCCC VISION AS BRIEFED TO PROSPECTIVE BOARD MEMBERS IN 2004.

For the near term Jack proposed a series of annual events to be held in February during President's Day week. These included the Mayor's Character and Leadership Summit, a Southern Character and Leadership Symposium (SCLS), and a fundraising luncheon. Jack believes that it is important to conduct the fundraising event during a time when it is evident that the SCCC is providing community programs like the SCLS in order to show that progress is being made. The SCLS would be large and will invite participation from the entire community to hear first-rate expert speakers who would both present talks and facilitate interactive discussions about character development in order to get the participants involved.

Jack distributed commitment cards to the luncheon attendees and 25 agreed to become involved in SCCC efforts. He is very optimistic about the possibility of rebuilding the SCCC into a viable entity to promote character development initiatives in Southern. The Mayor indicated that he would like to see more visibility for the SCCC through billboards, citywide banners and a website. Jack intends to meet the Mayor's requests, but he does not want to promote an empty program. He feels that this is a new opportunity with new people that must be nurtured cautiously, especially since there is a limited amount of money left in order to implement his plan. Jack believes that it is inappropriate to again ask for financial support before delivering a reasonably tangible product.

REMAINING ISSUES

The financial situation worsened during the summer of 2004 when Jack received forwarded mail from Bobby Lee containing a notice that the SCCC had an income tax debt

of \$3,500 including interest and penalties accrued as the result of its first fundraising luncheon that was conducted prior to achieving its non-profit status. Before speaking to the treasurer, Jack estimated that the SCCC would have only about \$13,000 left if this tax debt must be paid. He is hoping for tax forgiveness from the IRS, but is not optimistic about this.

Not long after the Mayor's luncheon Jack assumed a new job position that has taken nearly all of his time and severely limited his ability to work with on SCCC business. Historically, the SCCC president did most of the work, but now more than ever Jack realizes that he must develop and rely upon a strong board. He continually thinks about how he should proceed. What structure should he use to build a workable and sustainable Board? What other short and long-term goals must he pursue to sustain the SCCC and motivate personal involvement and significant giving to achieve its goals? Can the SCCC capitalize on the remaining \$13,000 to fund a first-rate strategy and motivate donors? What's the best way to get Southern excited about the benefits of character initiatives? Should SCCC engage in a joint venture with nearby Chatham or would that just complicate matters? Should the SCCC seek other alliances with established community groups? Is it wise to remain affiliated with CTI or should SCCC declare its independence? Which leadership style is needed to motivate his volunteers in this context? How should he seek long-term forms of funding to establish a location and build a full-time staff? What other arguments could be made to attract interest in character programs that will benefit Southern? Should bridging Southern's racial division be on the SCCC agenda? Given the 2004 political climate talk of a divided nation, should the SCCC seek to bridge that divide at the local level? Should the SCCC pursue a strategy that capitalizes on President's Bush's recent "values-based" victory?

Jack has 25 willing volunteers, 47 ball caps, 9 dozen coffee mugs, some stationary supplies with the *Character First* logo and \$13,000 to help this city of more than 100,000 get to the top of Winthrop's hill.

APPENDIX I

Southern's Character City Commission

Mission

The mission statement of the Commission is to
strengthen the citizens of Southern
their families, and the Southern community
by promoting excellence in character,
and thereby making Southern
to become a City of Character.

REFERENCES

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