II. Organizational Structure

• What is the best form of ownership?
• What does the organizational hierarchy look like?

One of the first decisions that you will have to make as a business leader is how the company should be structured if it is a start-up or if you are considering or should consider a reorganization. This decision will have long-term implications, so consult with an accountant and attorney to help you select the form of ownership that is right for you. In making a choice, you will want to take into account the following:

- Your vision regarding the size and nature of your business for the future.
- The level of control you wish to have.
- The level of "structure" you are willing to deal with.
- The organization’s vulnerability to lawsuits.
- Tax implications of the different ownership structures.
- Expected profit (or loss) of the business.
- Whether or not you need to re-invest earnings into the business.
- Your need for access to cash out of the business for yourself.

In addition, you need to determine what the organizational hierarchy will look like. How are the managers, staff and volunteers in the organization chart interconnected? How many layers are in the hierarchy and how many direct reports should each layer have to most effectively achieve the goals?

(see attachment #5)
Organizational structures, both internal (reporting, review, authorization) and external (form of business ownership) are not always rigidly designed or controlled. In principle, organizations make structural choices to support goals and strategies. For instance, business units may be organized around customers, products or geography depending on the goals.

Due to the variety and dynamic nature of organizations and their missions/goals, there is no cookie cutter approach—you must develop a structure that works for your organization and that allows enough flexibility to expand/contract with your business. Some keys to success include:

a) Clearly illustrate who reports to whom

b) Align employees, groups and departments in a structure that maximizes the potential for success in achieving your organizational goals

c) Allow enough flexibility for future changes such as promotions, departmental growth/contraction or departmental mergers

d) Annually review the structure to determine if the structure is still working and is still the most effective in achieving your goals
Common Problems

- Too many management tiers (deep layers)
- Too many individuals at each tier (too flat)
- Too few direct reports (narrow spans)
- Too many silos (not integrated)

(see attachment #6)

Although the intent of organizations is to make structural choices to support goals and strategies, in practice a company’s organizational structure and strategic intent are often mismatched. Some typical problems include:

- Too many management tiers (deep layers), which can become burdensome in expense and internal conflicts
- Too many individuals at each tier (too flat), which can result in too many direct reports for a manager to effectively manage
- Too few direct reports (narrow spans), which can result in either a top-heavy organization (too many chiefs) or senior management spending too much time on process or clerical duties.

Many organizations are structured by departmental silos or by functional responsibility that are not integrated through a matrixed reporting system. This can inhibit effective achievement of goals by each department or group as they are not incentivized or encouraged to interact with a separate department or profit center. An unclear matrix structure, however, can lead to confusion, overlap and lack of accountability.

(see attachment #6)
This is a prototypical structure of a smaller association or foundation. Note that the ED is responsible to the Board with only the COO as a direct report, which allows the ED to pursue the broader strategic goals and the COO to manage the organization’s day-to-day operations. When hiring senior management, particularly in smaller organizations, look for complementary skills and experience that will result in a balanced management team. For example, if the ED has a strong marketing background look for a COO with strong operational/financial experience.
Decision Rights: Who decides what?

- Develop comprehensive written policy manual
- Address company-wide policies and guidelines
- Address employee evaluations

In any structure, it is important to determine and clearly communicate who decides what, from hiring/firing to financial decisions. Where does one person’s decision-making authority end and another’s begin? What level of spending can each person authorize? What are the consequences of exceeding your authority? Make sure that your organization:

- Reinforces the organizational direction and values by articulating clear policies and procedures
- Institutionalizes these values with a written policy manual
- Issues a comprehensive policy manual that addresses attendance, vacations, sick days, travel guidelines, payroll, employee relationships, gift guidelines, budget authorizations, etc.
- The policy manual should also address employee evaluations, which should be conducted annually. It should also state how the evaluations will be used.
III. Paid and Volunteer Staff

Keys to Success

- Identify your core needs
- Recruit to fill these needs

The relationship between paid staff and volunteers is a critical success factor for many organizations, particularly non-profits. The value of volunteers is often underestimated and under-appreciated by organizations, many of which might not be able to achieve their goals without volunteers.

Keys to successfully motivating paid and volunteer staff include first identifying your core needs and budget for these needs; volunteers often need to be offered meals, transportation, sometimes even uniforms in exchange for their time and effort.

Next, find committed, skilled and enthusiastic volunteers who can fill one of these specific needs (e.g. event planning vs. event management). Recruit volunteers from employees’ friends, partners, suppliers and your Board; between one-third and one-half of larger US companies (500+) offer some form of volunteer/paid leave program (Walker Loyalty Report, 9/03). Some of these skilled volunteer workers can even be members of your Board, such as a CPA or attorney who can minimize costs in those areas.
Keys to Success – (continued)

• Understand each individual’s needs and motivators
• Create a fair but flexible system of rewards and recognition
• Train staff to motivate/value/retain volunteers
• Communicate clearly and regularly

(see attachments #7 and #8)

• Next, take the time to understand the objectives, incentives and career alternatives each volunteer has and try to match volunteers with appropriate tasks and managers.
• There must be a system of rewards and recognition that is fair and fairly applied across all levels regardless of individual needs and goals. How are people rewarded, financially and non-financially, for what they achieve? Develop a retention program for volunteers, such as increasing rewards for each year of service to encourage continued involvement.
• Then train your management in motivating and retaining volunteer staff. They must remember that volunteers are unpaid and must value their unpaid efforts accordingly.
• Clearly articulate the role, responsibilities and reporting relationship to each volunteer; ensure that management and all employees understand the value of volunteers and treat them at least as well as a paid employee, regardless of their role; incorporate volunteer management into a manager’s performance review if appropriate.
IV. Organizational Values

• Enduring values that guide the organization both internally and externally

• For example, values can address ethics, diversity, public trust, accountability, community

Organizational values are critical for an ongoing entity: if these values are followed by senior management, they help establish the culture of an organization and guide the organization both internally and externally. Organizations should address important issues such as hiring a diverse workforce, training staff about conflicts of interest, sexual harassment and other ethical behavior, the organization’s role in its community, etc. Board members and senior management are often required to sign conflict of interest statements to legally protect the organization from such behavior.
V. Negotiations

6 Factors in Negotiating:

1. Personality matters.
2. Goals and Expectations.
4. Relationships.
5. Interests.
6. Leverage.

Leaders of sports organizations have to negotiate often with vendors and partners. Thus they need both the skills and an approach to ensure mutually beneficial relationships that add value for both parties. There are six negotiation tenets that you should be aware of before preparing for a negotiation:

1. **Personality matters.** Different attitudes towards conflict, such as avoidance or confrontation will require a different approach to negotiations.
2. **Goals and Expectations.** Studies show that negotiators with high expectations do better, as so those who prepare well and are patient and flexible.
3. **Standards and Norms.** Standards are the "good reasons" you advance to support your goals and the most persuasive standards are the other party's standards.
4. **Relationships.** Existing relationships and the prospects for new ones are a critical negotiation variable as the possibility of gains from future cooperation is a tradeoff against short-term goals.
5. **Interests.** These are underlying needs, concerns, or problems that bring the parties to the bargaining table such as deadlines and financial constraints.
6. **Leverage.** Power and leverage make more of a difference to negotiation outcomes than any individual trait of a negotiator. For example, the less you need the deal, the better your leverage. Leverage depends on what people think and believe, not on reality.

Preparing for the negotiation of a win-win agreement requires a grasp of your needs vs. your wishes as well as your negotiating partner’s needs; research on the other party, such as their reputation, market share and fit with your organization’s values; information on the other negotiators involved; a timeline that meets both parties’ needs; alternative options, such as other possible vendors or sponsor prospects; and remember that many good agreements are founded more on relationships than a piece of paper.
VI. Communications Strategy

Keys to Success:

- Identify your internal communications team
- Identify your key audiences
- Review all existing and potential assets and resources
- Develop the strategy and plan
- Develop your message/s
- Execute, execute, execute

A communications strategy is also important to the success of any organization in reaching its goals and in maintaining strong relationships with key audiences, such as the media, members, employees, partners, etc.

Your communications strategy should encompass your key goals and leverage any and all assets and resources available to the organization to communicate your vital information and messages. Examples of assets/resources include relationships with key media contacts; a committed volunteer base; a website and/or e-newsletter; in-kind advertising space, PR and/or creative services from a partner, such as a local newspaper, media outlet or retail chain; access to grad students at local universities, etc.
Management and Leadership

Eight attributes of top business leaders

The new leaders of tomorrow need to be visionary rather than maintain the status quo as well as both learners and teachers. Not only do they foresee paradigm changes in society, but they also have a strong sense of ethics and work to build integrity in their organizations.

A new book (*Lasting Leadership* by Pandya and Shell) identifies eight attributes of leadership that are evident to varying degrees in the 25 most influential business leaders of the past 25 years.

1. They are able to build a strong corporate culture.
2. They are truth-tellers.
3. They are able to find and cater to under-served markets.
4. They can "see the invisible" - that is, spot potential winners or faint trends before their rivals or customers.
5. They are adept at using price to build competitive advantage.
6. They excel at managing and building their organization's brand
7. They are fast learners.
8. They are skilled at managing risk.

Raymond Cattell, developed the Leadership Potential equation that is widely used today to determine the traits which characterize an effective leader. And a recent London School of Business study of 100 top executives in 20 countries concluded that virtually all their requirements for MBA programs focused on the need for more thoughtful, more aware, more sensitive, more flexible, more adaptive managers, capable of being molded and developed into global executives.

(see attachment #9)
Leadership is about having high expectations and helping people meet those expectations. It’s about making tough decisions and having the courage to take risks. It’s about seeking opportunities for change and building enthusiasm for change efforts. Leaders are rarely (if ever) born.

If your goal is to become a leader, work on developing those areas of your personality that you feel are not "up to par". For instance, if you have all of the basic traits but do not consider yourself very much of a "people" person, try taking classes or reading books on empathy. Following are 10 steps that will help you become a better leader regardless of your current position or organization.

(see attachments #10 & 11)
Leadership of Sports Organizations

1. Find out what motivates the people who report to you.

“Motivation determines what you do. Attitude determines how well you do it.”
- Lou Holtz, former Notre Dame football coach

The best way to find out what motivates the people you manage is to ask them. In your one-on-one time with your staff, ask how they are doing and what is getting in the way of that full contribution. This can be made part of their annual review but also discussed on a regular basis. If possible, conduct a personality profile test (such as Myers-Briggs) for the entire staff to give you and your managers a better understanding of your employees and their probable motivations.

For each employee, challenge the entire staff to ask:

• What are that person’s strengths?
• How can that person’s strengths contribute to the group?
• What support will that person need from the group to use his strengths most effectively and to compensate for weaker areas?

(Stever Robbins, Harvard Business School)

As leader, you’ll be contributing direction, facilitation, and management. Support your team in whatever they need to meet their goals. By occasionally asking, “How can I help you do your job better?” you’ll quickly learn how you can help your people, and thus help the entire team and organization succeed.
Leadership of Sports Organizations

2. Hire and keep people who are both enthusiastic and skilled.

“Be active, be energetic, be enthusiastic and faithful, and you will accomplish your objective. Nothing great was ever achieved without enthusiasm.”

-Ralph Waldo Emerson

Hire people who have the requisite skills and abilities but who also can bring enthusiasm to the organization. People whose skills don’t fit the job’s requirements create inequity on the team, while enthusiasm often becomes infectious.

Be careful and thorough in hiring. Hiring mistakes are costly—training time is wasted, your strongest employees may become frustrated and demotivated, and firing an employee for poor performance is traumatic for everyone. Don’t drag your feet when faced with a job fit problem. A hiring mistake that isn’t corrected can quickly demoralize the team and reduce overall productivity. It is not an act of kindness to keep a person in a job for which they are not well suited, so either find a more suitable position inside the organization or let them go.
Leadership of Sports Organizations

3. Get and keep people working on what’s important.

Teams that shine use each person’s strengths to get the greatest results. But before you delve into strengths, you need a team mission to set the direction as we discussed in the Strategic Business Plan. Make sure everyone knows and buys into the mission and make sure it aligns with what success means for the team and the organization's overall mission.

Missions and goals may be vague or may become obsolete over time. Just make sure everyone shares an understanding of the team’s current direction. Unless goals and objectives are clear, communicated, and agreed upon, you’ve lost the battle.

A big part of your job is keeping people aware of the mission. Many new leaders assume that once the team knows what it’s supposed to do, all will be well. Daily work sucks people in and they gradually lose sight of the goal. Remind them often. Use the mission to introduce weekly status meetings, and ask the team to relate their status reports to the team’s larger objective. (HBS)
Leadership of Sports Organizations

4. Explain and train.

“What we have here is failure to communicate”.
-Prison warden to prisoner Paul Newman in “Cool Hand Luke”

In a 2002 survey of U.S. employees, 86 percent said that their bosses thought they were great communicators but only 17 percent said their bosses actually communicated effectively (Boyd Clarke, The Leader’s Voice: How Your Communication Can Inspire Action and Get Results!)

Make sure your employees have the skills and knowledge to do their work effectively. If they don’t, teach them, take the time to give them the background knowledge they need, or arrange for them to get appropriate training.

Plan ahead. Managers sometimes resort to “panic delegation” when they are overloaded—getting work off their own plates and onto someone else’s as quickly as possible. That usually has poor results as the hand-off is often done in the middle of a project and without the needed training or explanation.

Delegate with appropriate planning and training. Spend time every week teaching and sharing your knowledge and experience. You’ll be a motivator rather than a de-motivator. You’ll also attract and keep the best employees.

(see attachment #12)
Leadership of Sports Organizations

5. Let people work.

Once you’ve assigned a task, explained why it is important and made sure your employees have the skills and the tools they need to complete it satisfactorily, step back and let them do the work. Be aware of what your employees are doing by checking in on their progress toward the expectations you’ve set. Coach them on their approach to the work but let them their own approaches, too. Let them make mistakes so that they can learn from them and try again.

Be available to help clear away obstacles. Redirect them if they are off course and at risk of failing to meet expectations. When your employees make mistakes, have the courage to take the blame yourself, even when the employee may be at fault because mistakes are often team mistakes. Let others make decisions as part of the work and trust their judgment. Explain when they need to ask questions and get approval and when you expect them to make decisions themselves. A good response from a manager is, “I don’t know. What do you think?” This helps develop new leaders as well as motivates your staff.
Leadership of Sports Organizations

6. Be generous with praise and recognition.

People are driven by the need to feel good about themselves and what they are doing. That’s why praise and recognition are such powerful motivators—whether it’s a simple “thank you” for a job well done or a substantial year-end bonus. As human beings, we all want to be noticed and appreciated when we do something well and your employees are no exception. Some suggestions include:

• Look for and reward progress, not just the big accomplishments. Offer encouragement along the way and praise for reaching milestones. In general, the closer the recognition comes to the activity, the more powerful the message.

• Say thank you and nice job often. Don’t be sparing in your thanks and your praise. The better they feel about their abilities and their work, the better work they’ll do.

- Make sure everyone is recognized and praised. Mention everyone’s role when shining a light on accomplishments, especially people whose roles are not all that visible.

- Use your creativity to think of surprising, fun and meaningful rewards. Brainstorm with other managers, your HR department or with your team to come up with new ideas.

- Be generous in giving credit to others. Remember that as a manager you get indirect credit for everything your team does.
Motivation and excellence go hand in hand. People put their hearts in their work if they think the team and organization are striving for excellence. People want to be part of a world-class effort. If you expect people to succeed, they are much more likely to do so. So expect your employees to excel. Don’t tolerate mediocrity. Don’t tolerate negative attitudes or unproductive complaining. Raise them at a team meeting. Be honest about what is going on in the organization, discuss what can be done to improve the situation and plan how the team can do something about it. Move people away from seeing themselves as victims to understanding that they have the power to solve problems.
Leadership of Sports Organizations

8. Care about people and show it.

Listen to everyone carefully. The strongest leaders make themselves available to ideas and opinions beyond their small circle of direct reports, no matter how tight their schedules. Put yourself in uncomfortable situations, listen to criticism and answer tough questions.

Make time to talk with your staff about things beyond the immediate tasks at hand. Find out how each of your staff members is doing, what's going well in their work and what isn't, what satisfying and what's frustrating. Pay attention. Don't open your mail, scan your e-mail, or look at papers on your desk when someone is talking to you. Ask clarifying questions to make sure you understand what's being said.
Leadership of Sports Organizations

9. Treat employees with respect.

Rudeness or a lack of respect for employees can undo all of the good you might do by following the other leadership tips. Employees who don’t feel respected are likely to shut down and contribute only the minimum effort to keep their jobs. Create an environment where differences of opinion can be openly expressed. Demonstrate respect by listening and responding to your employees’ thoughts, ideas and concerns. Foster diversity by demonstrating respect for the unique qualities that each individual brings to your team.
Leadership of Sports Organizations

10. Lead by example.

Managers serve as models for their teams and for the organization. No matter what you say, people notice and follow what you do. So if you want excellence and enthusiasm from your team, model excellence and enthusiasm in everything you do. Be energetic and your energy will be contagious. Lead and motivate by example. Improve your skills and knowledge.

Laugh at yourself and bring humor to your work. Let work be playful at times. Smile often and show how work can be fun. Make decisions and act in ways that are consistent with your principles. Make courageous decisions. Do what is right. Successful organizations count on employees to act in principled ways. Set an example of a healthy work-life balance. Don’t hide the fact that you have priorities outside of work. Show that you can get your work done and still make time for family and a healthy lifestyle. Show that living a balanced life is an important and achievable goal.
Summary of Course Key Learnings

- **Develop a sound strategic business plan** to establish organizational direction and purpose
- **Create an organizational structure that works**
- **Create clear operating policies and procedures** based on your organizational values
- **Enhance relationships between paid and volunteer staff**
- **Develop a plan/model for negotiating with key vendors and partners.**
- **Develop a communications strategy** for all key audiences
- **Work on developing the ten key traits for becoming a more effective leader** of any organization.

Remember, this course was designed to help make you a better leader and to better manage a sports organization. However, we only want to stimulate your thinking and hope that you will continue to work on improving your skills. With a comprehensive Strategic Plan and a functional organizational structure you will be able to employ the learnings about values, managing staff, negotiating and communicating to become a more effective leader of any organization.

Good luck and thank you for taking an interest in improving your leadership skills. For a self-assessment of your strategic plan and leadership skills, please see attachment #X.