

## CHANGE

CONTINUED FROM PAGE 1

board members, staff, agency officials and community leaders paint a complicated portrait of Davis' tenure in Winston-Salem. While supporters say he brought about needed changes in United Way fundraising and management, critics say he was "controlling" and insensitive to agency needs.

And while some see Davis as a scapegoat for lackluster fundraising by the United Way, others say he was an obstacle to better relations with donors and volunteers.

One thing all parties seem to agree on is that the changes Davis was hired to make at the United Way should move forward - though perhaps not at the same pace or in exactly the same form as had been proposed under his leadership.

Among them are:

- Continuing efforts to reduce the size and cost of the United Way's administrative structure.

- Reorganizing the way the United Way distributes money it raises for nonprofits.

- Strengthening the United Way's ability to evaluate the effectiveness of services provided by member agencies.

"It doesn't matter whether it's Floyd Davis or anyone else," at the helm, says Gregory Squires, executive director of Mediation Services of Forsyth County, a United Way member agency. "We still have the same realities we have to face."

### HARD TIMES

One of the most pressing realities for the Forsyth County United Way is fundraising.

In 1991 - the year Davis was hired - the organization raised a record \$11.9 million for member nonprofits. But since then, contributions have steadily fallen - by 4.7 percent in 1992 and 3.8 percent in 1993. A last-minute contribution of \$200,000 prevented last year's campaign from missing its mark.

United Way officials and other community leaders cite a shrinking local economy as the main reason for the drop in donations.

"I am satisfied that the recent campaigns did about as well as they could have done," says Murray C. Greason, Jr. a United Way board member and head of last year's fund drive. "You have literally thousands fewer people working at Reynolds [tobacco company] and Sara Lee and even though there are more jobs in Forsyth County than four years ago, those jobs have changed. They have gone to very small businesses, people acting as consultants, people flipping hamburgers. There is a lot less discretionary money to give away."

Declining donations led to cutbacks in United Way staff and funds to member agencies and heightened tensions between agency officials and United Way administrators.

"The fundraising exacerbated the other issue of management," says Wayne Abraham, executive director of Forsyth Court Volunteers. "Probably if fundraising had been successful, those other issues might not have had as much impact."

A letter submitted to the United Way board by six agency heads last spring cited "confusing communications" and "poorly organized, staff-directed campaigns" as the reason for the decrease in donor support.

The board reacted by forming a personnel committee and establishing a formal process to evaluate Davis, who received no salary increase last year. But those moves did not allay concerns on the part of some agencies that they were being left out of decisions.

A plan adopted in January to allocate funds to member agencies based on 10 major areas of need increased anxieties among member nonprofits.

"Floyd was the catalyst for all of this change," says K. Alan Best, a United Way board member and

## A TIMELINE OF CHANGE

Here are some key events that led to the recent executive shakeup at the United Way of Forsyth County in Winston-Salem.

**1991:** September: Floyd Davis is hired as president and chief executive officer of the United Way of Forsyth County, following completion of a strategic plan and a campaign that raised a record \$11.9 million for area nonprofits.

**1992:** A combination of the national salary scandal at the United Way of America and local corporate cutbacks result in an historic failure by the Forsyth County United Way campaign to match what it had raised the previous year.

**1993:** The Forsyth United Way campaign falls 3.8 percent short of the amount raised the previous year. As a result, funds to member agencies are cut by an average of 13 percent over the next two years.

**1994:** March: The United Way board approves a strategic plan calling for - among other things - improved relations with member agencies and donors.

- April: Six agency executives send a letter to the United Way board, complaining of poor communications and other problems. The board agrees to form a personnel committee and evaluate Davis' performance.

- September: The board extends Davis' three-year contract for one year but does not increase his \$109,200 salary. A \$200,000 last-minute contribution keeps the United Way fundraising drive from failing to meet its goal.

- December: The Winston-Salem Journal begins looking into fundraising and management at the United Way.

**1995:** January 17: The United Way board adopts a new funding priorities plan identifying 10 areas of need and asks member agencies to submit proposals in those areas.

- February 17: Floyd Davis resigns, reportedly because of the newspaper inquiry into reports of low morale and poor fundraising at the United Way.

- March 1: Henry Brown Jr. is appointed volunteer interim president of the United Way and announces that Davis will receive a \$55,000 severance package. Murray Greason Jr. is appointed as acting board chairman.

chairman of the Priorities Study Committee. "I think he became the lightning rod for people's dissatisfaction with change in general."

The Winston-Salem Journal reported that during Davis' tenure at the United Way, 33 of 45 employees left the organization - about half, the newspaper said, because they could not work under Davis.

Most United Way staff members contacted by the Philanthropy Journal declined to talk about Davis, referring all inquiries to Brown.

But Florence Corpening - who until recently was the United Way's chief operating officer and is now executive director of the YWCA - says the extent of staff turnover has been exaggerated.

"When Floyd came on board, the United Way had 51 people and we were at the end of a strategic plan," she says. "Eleven of those people were hired as part of that plan. When the plan was over, unfortunately for Floyd, he had to come in and lay those 11 people off. Granted there were several people who left during that time. But it's not the big staff turnover" reported in the newspaper.

Corpening also rejects arguments that agency leaders were left out of the strategic planning process.

### RACIAL OVERTONES?

Another factor clouding the picture of Davis' departure is the issue of race.

Delores Smith, president of the Winston-Salem Urban League has been outspoken in her view that tensions between Davis and the agencies were due to his status as the United Way's first African-American executive.

"I don't know of anyplace where area agency executives have gotten involved in the day-to-day operations of the United Way," Smith says, referring to the letter from the six agency members. "Some of the issues they raised were in my opinion, expecting something of Floyd Davis that has not been expected of other executives."

On the other hand, some believe Davis' race prevented people from feeling comfortable criticizing his performance.

"There had been some pretty honest discourse about this at the agency executive association until some of those folks said, 'This is racist,'" says one United Way staff member who asked not to be identified. "Then, those who wanted to pursue the issue were afraid. So it let things kind of simmer."



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Greason, who is acting chairman of the United Way board, says suggestions that Davis was treated either too harshly or not harshly enough because of his race are, "utter hogwash. That proposition seems to me to simultaneously put down both races."

### FUTURE CHALLENGES

United Way board members, staff and agency officials are working hard to move beyond Davis' resignation and focus on the future.

In his first few days on the job, Brown held one-on-one meetings with United Way staff members and scheduled planning sessions with agency officials.

For their part, some member agencies are hoping to convince United Way leaders to slow down the pace of change.

"I hope they go ahead and do this as a dry run," says Bert Grisard, director of Big Brothers/Big Sisters, referring to the new funding plan. "I hope we can get them to decide to do it and plan to see how it works out - to just essentially give the agencies what they got last year, then compare what the two ways look like."

Smith of the Urban League hopes that links between the United Way and the city's African-American community will not be overlooked in Davis' absence.

"Under Floyd's leadership, there had been a development of African-American contributions" to the United Way, she says. "If they choose to ignore the black community now, I think it will be a mistake."

Marcia Cole, executive director of the American Red Cross, wants to

see bridge-building on an even broader scale.

"I'd like to see a uniting of all the constituents of the United Way - donors, agencies, staff, volunteers - in a partnership that would get us over this and move us forward," she says. "In order for that to really happen, it would take everybody doing it. The agencies have to do as much as they can to help. The staff has to recommit itself. The volunteers have to be more involved."

Phillip Reed, a Michigan-based consultant hired last year to help the United Way reorganize its funding process, says the issues facing the Forsyth County organization mirror national challenges.

"The United Way system across the country has had a lot of difficulties," he says. "There is the continuing specter of federal disinvestment policies which increasingly throws to the nonprofit sector work that had traditionally been supporting by government. At the same time, there is tremendous growth in nonprofit organizations in this country. And there's tremendous pressure on the United Way system, which is trying to be more inclusive and reach out to more sectors of the donor community."

Jean Irvin, executive director of the Juvenile Justice Council, speaks for many when she says United Way supporters need to refocus attention on the organization's mission.

"The bottom line is that the needs of the people who seek our services are not diminishing," Irvin says. "Our job should be to make sure we can provide those services. And that means healing the wounds."

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