

**Title:**

**Peer Consulting in the Not-for-Profit Sector: A Case Study**

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## **Peer Consulting in the Not-for-Profit Sector: A Case Study**

### **Abstract**

In a time when a fledgling economy and budget cuts make it difficult for not-for-profits to invest in organizational change and effectiveness, there needs to be a model that can be cost effective. This paper will examine the mutual benefits of peer consulting as a method of intervention to facilitate organizational effectiveness and learning in the not-for-profit sector or public sector. The paper will study this method as applied by the Illinois Association of Community Action Agencies (IACAA), Illinois' largest anti-poverty network. Data analysis on one of the member agencies of IACAA that participated in peer consulting as an intervention will be conducted. The data analysis will cover the results of the peer intervention which was conducted in 2003 to demonstrate the effectiveness of this model. The paper will also report on the learning benefits for peer consultants and how those benefits have been applied to their respective organizations for continuous improvement. The paper will finally examine why this model of intervention has not been successfully replicated by the Community Action network in other states.

## **Introduction**

How many times have we heard the terms the new millennium and the 21<sup>st</sup> century used to contextualize the challenges and opportunities organizations face today? How many changes have we seen proposed and implemented in the last twenty years as a result of these challenges and opportunities attributed to the dawn of a new century? How have organizations heeded to the call for organizational change because the environment in which they operate has dramatically changed? Our environment has been defined by globalization, regulation due to the Enron and WorldCom scandals, a fledgling economy, immigration, retiring baby boomers and the advancement of technology. The question is how do we address these environmental challenges while creating opportunities for organizational change and development?

In a time when a fledgling economy and budget cuts make it difficult for not-for-profits to invest in organizational change and effectiveness, there needs to be a model that can be cost effective. This paper will examine the mutual benefits of peer consulting as a method of intervention to facilitate organizational effectiveness and learning in the not-for-profit sector or public sector. The paper will study this method as applied by the Illinois Association of Community Action Agencies (IACAA), Illinois' largest anti-poverty network. Data analysis on one of the member agencies of IACAA who participated in peer consulting as an intervention will be conducted. The data analysis will cover results of the peer intervention to demonstrate the effectiveness of this model. The paper will report on the learning benefits for peer consultants and how those benefits have been applied to their respective organizations for continuous improvement. The paper will also examine why this model of intervention has not been successfully replicated by the Community Action network in other states.

## **Background**

Community Action Agencies are private nonprofit or public organizations that were created by the federal government in 1964 to combat poverty in geographically

designated areas. President Lyndon Johnson signed the Economic Opportunity Act in 1964 to compliment the Civil Rights Act of 1964. As the Civil Rights Act sought to eliminate discrimination in employment, public accommodations, transportation and other areas of life, the Economic Opportunity Act was designed to help implement that same guarantee in the economic sector.

The status of a Community Action Agency is bestowed or designated on an organization by local or state government. A Community Action Agency has a tripartite board structure that is designed to promote the participation of the entire community in the reduction or elimination of poverty. Community Action Agencies thus seek to involve the community, including elected public officials, private sector representatives, and especially low-income residents, in assessing local needs and attacking the causes and root conditions of poverty. Community Action Agencies are essentially part of an anti-poverty movement designated to be the agents or catalysts of change in their communities as it relates to reducing poverty. They are essentially the only organizations with a legislative mandate to reduce poverty.

In order to reduce poverty in its community, a Community Action Agency works to better focus available local, state, private, and federal resources to assist low-income individuals and families to acquire useful skills and knowledge, gain access to new opportunities, and achieve economic self-sufficiency.

Most poverty-related organizations focus on a specific area of need, such as job training, health care, housing, or economic development. Community Action Agencies reach out to low-income people in their communities, address their multiple needs through a comprehensive approach, develop partnerships with other community organizations, involve low-income clients in the agencies' operations, and administer a full range of coordinated programs designed to have a measurable impact on poverty.

Community Action Agencies are represented at the state level by the Illinois Association of Community Action Agencies. The Illinois Association of Community Action Agencies (IACAA) is a not-for-profit membership organization which serves as the network for Illinois' not-for-profit corporations and units of government which strive to raise the health, education and economic standards of Illinois' low income population. The Association serves the collective interests of its members by:

- Aggressively and pro-actively advocating public policies that serve its members and the low-income population of Illinois.
- Actively promoting the value of the Association, its member network services and programs to stakeholders and the general public.
- Building member capacity and effectiveness through training, technical assistance and other value-added services.
- Providing timely and reliable information on core issues important to members and stakeholders.
- Educating and informing the membership and general public on issues that impact the low-income population of Illinois.
- Building partnerships that advance the community action network and stakeholder interests.

## **Need**

Community Action Agencies like most organizations have to respond to the demands of a dynamic environment through internal capacity building for organizational effectiveness. These organizations are primarily funded through a governmental grant structure which means that many of their environmental challenges involve interfacing with the government and changing priorities. In order to maintain compliance with their various funding sources, Community Action Agencies have to ensure that they have effective management systems, strong internal controls, mission effectiveness, strong leadership, structures aligned with their systems and mission, informed governing bodies and clear organizational strategies. Juxtaposed to the issue of compliance is the

need for Community Action Agencies to build their capacity beyond compliance with funding sources. There is the need for them to develop a competitive edge in world where demand for social services is on the rise. There is a need for them to strive for excellence.

The social and political landscape in which Community Action Agencies advance their missions has changed. Community needs are growing in size and diversity. More nonprofits are competing for government and philanthropic funds. Traditional forms of funding are becoming smaller and less reliable. New for-profit businesses are competing with nonprofits to serve community needs. Funders and donors are demanding more accountability (McNamara 2008).

In the face of this new reality, leaders in non-profit organizations are reinventing themselves as social entrepreneurs, combining the passion of a social mission with an image of business-like discipline, efficiency, innovation, and determination to transform the lives of people in their communities.

In the early 2000s some of Illinois' Community Action Agencies began to experience organizational challenges that were systematic, programmatic, leadership oriented and cultural in nature. At the same time, the state of Illinois was in a recession and was faced with a massive exodus of talent due to early retirements sought as a means to balance the state's budget. This state of affairs meant that state government was not well equipped to provide the required oversight of Community Action programs. The Community Action Association was also not necessarily equipped with the infrastructure or methodology to respond to these organizational challenges faced by members of its network. Haunted by a history mired with agencies that were shut down by the government because of their inability to effectively respond to organizational challenges; and faced with an administration, which at the federal level differed philosophically with the framers of Community Action -- it became clear that the Illinois Community Action Association had to emerge as the caretaker of Community Action in Illinois if this network of agencies were to continue to fulfill its mission and vision. It became clear that the Association had to develop a process which would assist its agencies to mitigate

organizational challenges for their continued survival. And finally, it became clear that Community Action needed a process that would act as a bulwark against political attacks launched against the Community Action movement and the War on Poverty. Illinois needed its agencies to not only overcome organizational challenges, but to excel as organizations of excellence.

## **Methodology**

The Community Action Association developed a process for intervention and capacity building which was based on a peer framework. This process was designed to assist agencies with organizational challenges in Illinois. It was understood then and today that many not-for-profit organizations can spend exorbitant amounts of precious resources on external consultants that often times may tell them what they already know or may bring a process to their organization which does not directly address their challenges. Illinois needed a cost effective approach to addressing organizational challenges. Most importantly, Community Action needed an approach that would assist agencies with sustaining organizational progress and effectiveness. It was resolved that Illinois' framework would involve peers who were deemed experts within the network. After all, the challenges they would assist in addressing were challenges that they saw or overcame within their own organizations. "Contrary to intuition, similarities among peers can actually facilitate knowledge refinement. When the intended audience consists of non-experts, a group of peers is often better than experts in providing evaluations and feedback on peer developed materials. Peers are more likely to share knowledgebase, experience, and problems; such socially shared cognition enables them to establish common ground that stimulates development of mutual knowledge, along with an error-correction mechanism. Because peers are closer to one another cognitively and behaviorally, they better understand what they need in a codified piece of knowledge than do experts" (Cho et al March 2008: 84-85).

The diagnostic framework for resolving identified organizational challenges was no different to what is utilized by many external consultants. What was different is the fact that practical experience on the part of the peer experts made their analysis more

credible. There was another dimension that had to be taken into account which is critical when dealing with organizations that have been under attack by policy makers, funding sources and certain segments of the public which is empathy. It was felt that organizations experiencing challenges would be more open to the process if they knew that the peer experts understood what they were going through from their own experience. It also felt that the challenged organizations would be open to the process because as a “family” of Community Action Agencies, their future was interconnected. “When multiple peers participate in knowledge refinement, the aggregated benefits can be significant. One possible reason is that multiple peers create a larger search space for potential problems in the target knowledge; more reviewers find more problems. The probability of a serious problem being detected increases with the number of peer reviewers” (Cho et al March 2008: 85).

The Illinois Association of Community Action Agencies (IACAA) designed a diagnostic tool which involves the evaluation of an organization’s operating system, management structures, program effectiveness, and organizational governance by peer consultants from the Community Action network. The assessment itself is a weeklong intensive process from which a peer team interviews staff from all programs, clients and board members, external stakeholders, reviews program performance and management systems. The assessment is conducted on agencies experiencing the loss of a long tenured executive director, dysfunctional boards, new leadership in key management positions and major issues in key program areas. There are also program assessments that are conducted for purposes of preventing agencies from falling into corporate instability. The methodology utilized involves confidential questionnaires from staff, the board and clients, review of organizational documents, focus groups, interviews and observations. The result of this type of organizational diagnosis is a report which contains the assessed organization’s strengths, weaknesses and recommendations. The report goes further to offer resources and time frames for the recommendations made by the peer team.

IACAA has a database comprised of peer experts from all over the state of Illinois categorized under particular areas of expertise called the Skill Bank. The Skill Bank is a centralized statewide mechanism to collect, store and make accessible to member agencies any information related to management, operations and programs.

The Skill Bank also facilitates and supports certain types of trainings, technical assistance and peer exchange programs. IACAA has utilized the peer approach to facilitate one-on-one technical assistance among the agencies. There are instances when agencies hire new program staff that may need training in specialized areas pertaining to their programs. In those instances, the agency needing the training may contact IACAA for peer training which is conducted on a one-on-one basis at the recipient's site.

The Skill Bank is also accessed for board governance training which is conducted by peers. Community Action Agencies have a unique composition of at least one-third members from the low-income community, exactly one-third public officials and up to one-third members from the private sector. The average size of a CAA board is 25 people. This structure allows for maximum feasible capacity and participation of the affected populations. The structure also brings with it challenges that are unique and require a specialized approach. The peer training model for the boards has been Illinois' response to these unique challenges.

### **Case Study**

In this section of the paper I will further illustrate the peer model by using an actual capacity building case that IACAA worked on. The name of the agency has been changed to protect its identity and integrity. The Community Action Agency in this case will be referred to as the Self Reliance Community Action Agency (SRCAA).

### **Background**

*The President/Chief Executive Officer of Self Reliance Community Action Agency (SRCAA), requested capacity building/technical assistance from IACAA. IACAA was*

*asked to assess the overall operations of SRCAA and to address significant systemic issues contributing to problems in managing the organization effectively. Due to the fact that SRCAA was one of the largest Community Action Agencies in the country, it was in IACAA's best interest and that of the state of Illinois to mitigate whatever challenges that organization had because its failure would have had a ripple effect on the entire network. If SRCAA failed, tremendous undue scrutiny would have befallen on all agencies in the network. Successfully assisting one of the largest Community Action Agencies also meant that IACAA could provide assistance to any agency regardless of size through its peer model.*

### ***Problem/Need***

*SRCAA had experienced tremendous growth in very short period of time. Part of that growth was due to that agency taking over the programs of another agency and an aggressive effort to provide comprehensive services in its service area. The structure that SRCAA had in place was not aligned with its systems and organizational culture. There were senior staffs that took advantage of this fact and ran their own "fiefdoms" within the context of the larger organization. The systems that were currently in place failed to detect any corruption and fraud that was being perpetuated by some of the senior staff. It was discovered later that these senior managers collaborated on some of the fraud that went on. To compound this potentially explosive scenario, was the fact that the agency was faced with multiple program challenges. Funding sources were not pleased with the outcomes from monitoring and auditing reports of the agency. Some of the funding sources had placed SRCAA on special conditions with the requirement of improvement plans. Even though the mission of the organization had not changed; it was unclear as to which strategic direction the organization was heading. The President/Chief Executive Officer and the Board of Directors were trying to deal with these challenges unsystematically.*

*It was only after one of the senior managers had unexpectedly died that the corruption which was perverse at higher levels of the organization was exposed. It was discovered that there had been an ongoing conspiracy to commit fraud through a ghost payroll*

*scheme. Since this fraud involved both state and federal grant resources, funding sources were immediately notified and so was IACAA. One of the funding sources recommended a consulting firm which was well know for mitigating these types of challenges faced by SRCAA. The agency hired this consulting firm since it was highly recommended by one of its funding sources. The firm conducted an in depth diagnosis and developed a plan of action which involved restructuring, system development/alignment and capacity building. The agency paid an exorbitant amount to this consulting firm on a monthly basis. Things went wrong when the firm lost its focus and set about to take over the organization. There were plans to remove the President/CEO and some of the Board members with the intent of taking over the organization. These failed attempts divided the board and brought further dysfunction to the organization. Funding sources were extremely nervous as failure of this agency was imminent. It took the courage of the President/CEO and some of the board members to fire the consulting firm and pressure some of the board members who had bought into the plans of giving up control to the consulting firm to resign. More damage had been done to the agency due to misguided priorities and strategy perpetuated by the consulting firm. The agency was still faced with organizational challenges which needed to be dealt with in order to not only restore the organization's creditability with funding sources, but most importantly to rebuild organizational capacity.*

### **Methodology**

*A Core Team comprised of five (5) Community Action professionals, representing two Illinois Community Action Agencies and the State Association, worked closely with the President/CEO to design a framework and feasible course of action for an intervention of this undertaking. In prior meetings with SRCAA's President/CEO, issues had been identified as existing in several areas of SRCAA. On previous occasions, the IACAA had provided peer to peer training and technical assistance to SRCAA in the program areas of LIHEAP, Weatherization, and Head Start. The Core Team utilized findings from the Mock Head Start Peer Review (a peer program assessment conducted to assist agencies in preparation of a federal program review) conducted by IACAA in March 2003, as a basis to diagnose the organizational issues that were germane to the entire*

*corporate structure of SRCAA and to the SRCAA Head Start Program. The Core Team worked with the CEO of SRCAA to solidify areas of focus and priorities for the organization. Based on the mock peer review and the information provided by the CEO, the Core Team organized strategies around four key areas: Organizational Structure, Communication, Board Development and Fiscal Management. Following a series of strategic planning and organizational meetings, the Core Team then identified individuals to serve as members on the peer team. Each team member was selected from the Illinois Community Action Network based on their abilities and competencies. Training was held to prepare these individuals for the assessment process.*

*Based on results from SRCAA's Federal Peer Review, there was an immediate need to address the deficiencies identified in their Head Start Program. To facilitate the process, the Core Team worked closely with the CEO of SRCAA and SRCAA's Executive management to learn of their progress in implementing the Quality Improvement Plan required for their Head Start program as a result of identified deficiencies. The Peer Team was charged with providing oversight in the implementation process, to ensure that ongoing monitoring was established and provide any recommendations to SRCAA on issues discovered through the assessment of documents and interviews with staff. Another phase of the technical assistance involved a review of the agency's fiscal management policies and procedures, organizational structure, human resource management, communication, management systems, policies and the governance system to determine their effectiveness and efficacy for the agency. The assessment was designed to provide an objective, diagnostic analysis of the current operation in these specific areas. The assessment also provided recommendations to support the mission of SRCAA as well as its internal and external relationships.*

*The Assessment Team used a research methodology consisting of data collection, data review and analysis, and the preparation of hypotheses based on the data. The documents reviewed were SRCAA's Head Start Quality Improvement Plan, By-Laws, ACF Reports, Policies and Procedures Manuals, IACAA Assessment Reports, and a number of other pertinent documents. During several on-site visits, interviews,*

observations, and meetings were conducted with SRCAA's Board of Directors, CEO, Executive Management Team and Staff in an effort to gain new insights into each of the four identified critical areas. The following are the identified critical areas with specific areas of interest:

**1.) BOARD DEVELOPMENT**

*By- Laws  
Board Training  
Board Structure  
Board Meeting Protocol*

**2.) ORGANIZATION STRUCTURE AND HUMAN RESOURCE MANAGEMENT**

*Organization Chart  
Standard Operations Procedure Manual  
Staff Development and Trainings  
Personnel Files*

**3.) FISCAL MANAGEMENT**

*Accounting Software Implementation  
Fiscal Procedures  
Procurement  
Monthly Financial Reporting  
In-kind  
Budgeting  
Payment Schedules to Partners*

**4.) COMMUNICATION**

*Internal  
External  
Standard Record keeping Practices  
Meeting Minutes Practices and Retention  
Ongoing Monitor Practices*

*For illustrative purposes, the paper will only focus on two areas of the peer assessment – organizational structure and fiscal management.*

**Organizational Structure and Human Resource Management**

*The organizational structure was inappropriate to effectively support the tremendous growth SRCAA had experienced in a five year period. The organizational chart did not match job descriptions. While a number of the job descriptions were well written and*

*detailed, many were outdated and did not include exemption or pay grade status. Based on interviews with staff and a thorough review of related documents and files, there appeared to be no consistent, systemic approach to organizing and maintaining Personnel files and the requisite documents within. Employee Personnel files were not housed in a centralized location and did not consistently contain the appropriate documentation. Employee qualifications, background checks and drug testing data did not appear to be included in these files. Observations and interviews also indicated that SRCAA was operating without a Standard Operations Procedures Manual and Personnel Manual. Professional Development and training activities were not consistently documented, were uneven and did not adequately promote professional growth for all SRCAA staff.*

*The following were IACAA's recommendations to SRCAA under organizational structure and human resource management:*

**Organizational Chart**

- *Update all agency job descriptions*
- *Revise all job descriptions to ensure continuity and uniformity*

**Standard Operations Procedures Manual**

- *Develop a Corporate Standard Operations Procedures Manual*
- *Develop an Personnel Policies and Procedures Manual*
- *Conduct a comprehensive training with staff on both manuals*
- *Create a binder to maintain all corporate manuals*

**Personnel Files**

- *Maintain all complete employee principal personnel files in one centralized location at the Corporate Office*
- *Develop supplemental personnel files for Head Start Staff to be maintained at the respective sites*
- *Develop and implement a uniformed systemic filing system with a file checklist*
- *Conduct 100% file audit to ensure consistency and comprehensiveness*

**Staff Development**

- *Develop and implement a Professional Development Plan for all SRCAA employees*
- *Document all Professional Development and training activities in employee personnel files*
- *Review and update the status of the Professional Development Plan with staff on an Annual basis during the performance evaluation process*

### **Outcome Measures**

- *SRCAA will operate under a revised operating procedures manual to reflect current policies and practices.*
- *SRCAA will devise a file management system that is consistent for all agency documents.*

### **Fiscal Management**

*Financial reporting for a Community Action Agency represents the area with the greatest concern because financial statement users (grantors, auditors, program, executive staff, banks, board of directors, etc.) need to be able to accurately reflect results of operations and financial positions. SRCAA was using an old accounting system, called CAPTAIN and missing potential efficiencies that are generated using more current technology. The fiscal focus group reviewed several internal documents of SRCAA such as the standard operating procedures manual, procurement, planning documents for a new fiscal software system and other fiscal documents. The team then met with SRCAA fiscal management staff and conducted interviews based on their review of SRCAA's documents.*

*The following were IACAA's recommendations to SRCAA under fiscal management:*

### **Complete Accounting Software Implementation Plan**

- *Review and "fine-tune" chart of accounts to ensure compliance with FASB standards.*
- *Ensure chart of accounts will support the reporting requirements.*
- *Review critical "effective date", e.g. program grant years, fiscal year of corporation.*
- *Ensure accuracy and "usability" of vendor id. codes, e.g. alpha or numeric capability of merging or changing vendor information.*
- *Address security levels, accessibility, "read only", etc.*
- *Ensure backup and restore functions are working.*

### **Monthly Financial Reporting**

- *Determine flow of reports from new system – who receives which reports and who creates them (or pulls from the system)*
- *Ensure Board, CEO, Executive Staff, program managers receive appropriate reports.*
- *Ensure reporting capability allows "drilling down" for detail.*
- *Regarding internal reporting, reports should be generated by the accounting system, not manually.*

**Budgeting**

- *Develop a budget planning process which includes staff involvement and including Head Start. (Process needs to include Policy Council for Head Start budgeting)*
- *Reporting systems need to include all appropriate recipients and need to report revenue and expense compared to budgets.*

**Outcome Measure**

*SRCAA will gain a better handle on their financial condition and eliminate many ambiguities related to programmatic and non programmatic operating results.*

**Status**

*Due to this peer intervention and follow up interventions, SRCAA has continued to strive for excellence. As recent as 2009, the agency came out of a federal review with no findings. Many of the organization's programs are national best practices and the organization has continued to strategically grow with lessons learned from its past.*

**Discussion of the Peer Model**

According to Loughry, "peer monitoring has not been extensively studied and the positive effect on performance that is asserted in agency theory has not been empirically tested" (2002 BPS: 01). What are some of the strengths of the Illinois peer model? Why is it successful? Can it be replicated in other states? What are some of the weaknesses with this model?

The biggest strength in this approach is the fact that the consulting is done by peers. They offer expertise, experience and the dimension of empathy. Another integral part to the success of this model is the establishment of trust. "Interpersonal trust is considered an important mechanism to stimulate satisfaction and commitment of members and enhance organizational effectiveness...trust is a psychological state comprising the intention to accept vulnerability to the actions of another individual (a trustee), based upon the expectation that the other will perform a particular action that is important to the trustor" (Six and Sorge 2008: 857; 859). The IACAA had to establish a high level of

trust with its members for agencies to voluntarily be open to their peer's scrutiny and criticism. It took some of the leading agencies having the courage to be open to this process for the rest of the network to buy into it. Trust is the binding factor that has led to this model's success in Illinois.

The peer model of consulting is an action research model. "Action research uses theory to guide change. But theory is often based on generalizations derived from many cases. The application of theory requires a deep knowledge of local realities. Even if the design of a desired change is robust, organizations may experience problems in implementation that preclude success. Action research avoids or addresses some of these problems by involving key stakeholders in making sense of a problem, defining and framing the research, sometimes in collecting and interpreting data, and in trying out and adjusting solutions" (Marsick et al; 14). The peer model of consulting involves mutual exchange of knowledge. The individuals who serve on the peer teams gain more knowledge about their organizations or programs as they assist other organizations. They do so because in most cases, IACAA selects team members who have similar programs as the agency that is subject to the intervention. These peer consultants leave a project with new information and knowledge which is utilized to improve their own operations. "Action research is classically described as "a cyclical inquiry process that involves diagnosing a problem situation, planning action steps, and implementing and evaluating outcomes. Evaluation leads to diagnosing the situation anew based on learning from the previous activities cycles" (Marsick et al; 14).

Even though the report that is rendered as a result of this process contains strengths, it is not purely a strength based approach or Appreciative Inquiry. The diagnosis focuses on problems with the recognition of strengths and recommendations which become part of the organization's action plan. Part of the challenge with this approach has been the fact that the organizations we work with seem to always focus on the challenges or weaknesses as their starting point. There have been organizations that have not followed through with their assessment because the weaknesses or challenges have been overwhelming to their staff. We have also had organizations that have used the

challenges to restructure their organizations unsuccessfully. Finally, the biggest potential challenge we have would be if a state agency or federal entity were to decide to use IACAA's report against an agency. IACAA needs to maintain its role as the caretaker of the network and not be placed in a position that justifies the demise of an agency.

### **Theory and Hypothesis**

The peer consulting model was successfully constructed based on the following hypothesis:

**Hypothesis 1: Organizations in a non competitive and trusting environment are more open to learn from peer organizations for organizational effectiveness. Organizations thus learn more from each other than from anyone else.**

This model of consulting has been successfully constructed based on the premise that Community Action Agencies in Illinois are members of the same "family" and are thus not in competition with each other. The foundation of this model is further supported by the notion that the future of Community Action is intertwined with the success of Community Action. Therefore, a secure Community Action future can only be successfully facilitated by Community Action. As members of the same family, the level of trust among the agencies is high enough to allow openness to scrutiny and review from peers.

The challenge to this hypothesis is the fact that not all of Illinois' Community Action Agencies utilize this peer model of consulting. There have been Peer team members who have not been comfortable in utilizing peer services for their own organizations even after they have participated on teams for other organizations. No two Community Action Agencies are identical even if they share their mission and vision as it relates to fighting poverty. They are different on a sub-cultural level. In order for IACAA to be effective in working with its member organizations, it has to understand organizational sub-cultures that are driven by leadership, region, urban versus rural, demographics

etc. IACAA has been successful with interventions where the Community Action Agency's culture was more open. Peer interventions have not been successful or accessed by organizations whose cultures can be classified as not being open.

The theoretical framework that supports this model of consulting is the situated learning theory. "The promise of situated learning theory is to focus attention directly upon learning as a pervasive, embodied activity involving the acquisition, maintenance, and transformation of knowledge through processes of social interaction. In common with researchers who study organizations as cultures, analyses of situated learning focus less on cognition and what goes on in individual heads, and more on what goes on in the *practices* of groups Learning is conceived to occur as individuals become members of the "communities" in which they are acculturated as they participate actively in the diffusion, reproduction, and transformation of knowledge in- practice about agents, activities, and artifacts"(Contu and Willmott 2003: 285). Peer consulting embodies the action research model whereby learning takes place for the peer consultant and organization while the intervention is conducted. The learning benefits both the recipient organization and the peer consultant's organization.

### **Future challenges and Focus**

There are two future challenges to the peer consulting model that have to do with the changing environment that Community Action operates under and the thrust of the model.

Due to the down turn in the economy, many programs that provide relief to the poor were appropriated significant increases in the Economic Stimulus Package approved by President Obama and Congress in February 2009. These increases are proposed to help provide the much needed relief to the thousands who have lost their jobs and millions of the poor and vulnerable populations whose conditions continue to get worse in these tough economic times. Many of these programs such as the Weatherization program have been envisioned by the President and Congress to play a major role in

facilitating the economic recovery strategy proposed by the administration.

Weatherization is poised to help with green jobs creation, economic stimulation and independence from foreign oil as it provides utility relief for many families through energy cost savings that the program helps to realize. The Weatherization program is one the many programs administered by Community Action Agencies. As a result of the stimulus budget, the Weatherization program is faced with a growth of 500% over a two year time frame. This network of agencies is now faced with managing and responding to significant growth over a short prescribed timeframe dictated by the economic stimulus package.

The challenge for the peer model will be the availability of peer consultants to assist other agencies with capacity building while they focus on their own organizational needs. The growth that is being experienced as a result of the stimulus is unprecedented. Most organizations will be focusing on their own challenges. However, there could have not been a better time than the present for Community Action's peer consulting model to build the capacity of Community Action Agencies. IACAA may have to bring in external organization development expertise to assist its agencies.

The thrust of the peer consulting model has been capacity building for the purposes of adhering to compliance issues dictated by various funding sources. The leap that has not been made by this model of consulting has been the facilitation of organization development and change. The model needs to be further developed to allow peers to be the agents of change with other organizations and their own. Organization Development could be successfully deployed within Community Action through peer consultants. This will require training in various aspects of OD.

## **Conclusion**

The peer model of consulting has benefited both the Community Action network and the state of Illinois in that no agencies have had to be shut down due to non compliance

and mismanagement. The state of Illinois as a result of a poor economy and attrition due to retirements has not had the capacity to provide the comprehensive monitoring and technical assistance which is part of its role as a funding source. The fact that no Community Action Agencies have had to be shut down in the last ten years means that the communities where these agencies provide services continue to benefit, the state of Illinois continues to save tax dollars as experience proved it to be very expensive to set up a new Community Action Agency in replacement of one, the Illinois network has been brought closer through experiencing and working through challenging times.

This model of consulting has also saved both Community Action Agencies and the state of Illinois in exorbitant consulting costs as the expense to facilitate the peer consulting only costs a fraction of what could be spent on external consultants. It is important to note that this method of capacity building is not the only model utilized by the Illinois agencies. There are areas of capacity building which are beyond the capacity of the peer model. It was discussed earlier that this model has not made the leap to facilitate organization development and change. This is partly due to the fact that the agencies are programmed through their funding structures to focus on compliance. In most cases, change is facilitated externally by the environment and funding sources. There will need to be some time spent on further developing this model to integrate OD.

The tremendous benefit that this model has is the fact that it is an action research model. Peer team members are selected for their specific expertise in certain program areas and organizational functions. As these peer consultants engage in an intervention with a fellow agency, they bring knowledge from their organization to the recipient organization. However, the peer consultants gain further knowledge about their areas of expertise while conducting the capacity building. This knowledge is then taken back to their organizations for further improvement and effectiveness. This approach thus ensures a win-win for Community Action.

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