

## **The LME Model™: Leadership, Management and Expertise – the Holy Trinity of the Democratic Organisation**

*This paper introduces the LME model for analysing effective and participative organisation. This excellent model has never been published and has, instead, been an aural learning tool passed-down by experts. This paper takes a model of democratic organisation into today's context and from its origins in the tumult of the 1960s and 1970s where Community Organizing<sup>1</sup> and Community Social Work<sup>2</sup> opened the doors for the new, participative democracy models. The diagram<sup>3</sup> can be used as an analytical model for organisations to map their people and processes and see whether or not they are balancing the different interests of **members, leaders and experts**. The paper draws on the abidingly timeless value of the model and the authors own action research.*

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### **Introduction**

Democracy and participation is not just a matter for government. We all participate in institutions to a degree - for instance as customers, citizens, residents, patients, students and so on. We expect public services, companies, third sector organisations or trades unions to act in our interests. Trust in these institutions to deliver in people's interests and to act in the interests of many 'publics' has diminished and trust needs to be restored. The economic and social losses that distrust brings for us all are enormous. Failed banks or failed hospitals, as for instances, continue to fail in part due to poor accountability. Accountability, in and of itself, includes a level of democracy and transparency. Power, influence and decision-making needs to be re-modeled in order to restore and refresh trust in institutions and to re-discover effective transparency and accountability.

In participative structures there is a balance to be struck between three broad interest groups: *leaders, members* and *experts*. That is leaders who make decisions and determine direction; members who receive the 'goods' and may select leaders; and expertise – the people who provide the service or activity day-to-day.

### **Who does democracy in organisations well?:**

#### **Balancing membership, leadership and expert interests and examples of success and failure in participatively-democratic organisations**

Around the world there are examples of organisational form and design that gets the balance right between different interest groups. Here are a few.

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<sup>1</sup> *Saul Alinsky* is the well known founder of the Community Organising movement in the US that helped establish citizen-run community organisations and neighbourhoods

<sup>2</sup> Harry Specht and Mark Courtney published many books and articles including *Unfaithful Angels: How Social Work Has Abandoned Its Mission*

<sup>3</sup> The Venn diagram was first conceived by a much celebrated community organiser and social entrepreneur Charlie Jordan with whom I worked. He founded part of the Emmaus movement in the UK - as well as founding PACT now Impact Initiatives and many other community ventures and social enterprises.

**German Regional Government** has a high electoral participation rate. One feature of the **Lander** is their involvement in strong regional banking that has partly sheltered Germany from the financial crises, storm and economic depression since 2008.

In Spain the mighty **Mondragon Corporation** is a network of many co-operatives employing over 84,000 people worldwide and about 70,000 in Basque-Spain. Again, it remains hugely successful amidst the shock austerity and depression of the Spanish economy. With global sales of €14 billion Mondragon is a great global business as well as participatory democracy success story rarely heralded in the business pages of newspapers.

In Sweden their local municipalities – the **Kommuner** - have a more bottom-up and truly localised local government with big responsibilities in small localities. Education is one. As a result people are more bought into their local communities are more likely to observe agreed social norms.

In the USA strong and business like social movements such as **credit unions** and **Fountain House** (social enterprises run by people with mental health issues) provide unique services and are run on co-operative principles.

In the UK **mutual building societies** still give better returns to members than banks (*Nationwide, Coventry* and *Leeds* for instance) and are stakeholder owned. In the social world *Emmaus*<sup>4</sup> and other organisations such as *Samaritans*<sup>5</sup> and the growing free churches movement are member-driven. Emmaus used LME in founding its largest and most successful community in Sussex.

The failure of banks in the UK and the US in particular was partly due to ill-accountable leaders who acted as leaders, shareholders-in-chief and experts in risk capital. To call their failure record-beating would be an understatement! The relevance here is that accountability mechanisms did not control different functions, roles and interests.

Similarly the Francis enquiry into the continual failure of care at Stafford Hospital highlighted a failed accountability mechanisms – it was the culture that did it! Francis laid blame at the door of a culture that tolerated low standards, over-claimed its successes and sold patients short.

## Origins of the LME model

Theories and papers on organisational dynamics are legion. The LME model cuts through many of the more complex ideas and is a useful, practical tool for analyzing organisational dynamics for any organisation that wants to involve its users, or customers or its 'membership'. The model serves as an ideal type<sup>6</sup> for appraising public accountability.

An inspiring American thinker Harry Specht was one of the leading lights in re-shaping a community-driven model of social welfare and part of the US community organizing movement. For instance,

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<sup>4</sup> Emmaus is a world movement now in 36 countries with 300 plus communities run by 'companions'. They are self-sustaining communities and businesses originating in France. LME was used by a great social pioneer Charlie Jordan in the founding of [Emmaus Sussex](#) and in the development of the movement in the UK which now has 24 communities with 10 or so in the pipeline.

<sup>5</sup> Samaritans, alongside WRVS perhaps is one of the most volunteer run organisations in the UK running a high value crisis service with about 20,000 volunteers. WRVS has about 40,000.

<sup>6</sup> Here 'ideal type' refers to the modelling tool of ideal type or pure type that describes and analyses social phenomena in order to highlight key behaviours and observations. It does not mean ideal type as in this is the ideal way of doing things, necessarily. Here the LME serves as an ideal type that stresses elements common in the given phenomena – that is the power dynamics of an organisation.

President Obama's original occupation was as a Community Organizer - he and his generation of inner-city reformers were hugely influenced by the origins of this simple and powerful model of dynamic organisation.

The LME model brings some of the explanatory value of 20<sup>th</sup> century participatory practice and democratic change into 21<sup>st</sup> century. It is highly relevant to public service management, third sector organisation, community and customer engagement, localism and mutualism.

The LME model was developed in the first era of social enterprise back in the 1980's when the third sector and community organisation began a boom. As far as we know it has never been recorded<sup>7</sup> or published or brought into the current context so this paper introduces the model for many and re-introduces it for some.

Now in the second decade of the 21<sup>st</sup> century a 'new mutualism' and a different kind of public organisation are back on the agenda. A great deal can be learned by using the LME model as a tool to evaluate organisational accountability, performance and participation. These three dynamics are interrelated and they shape good organisations. Failed organisations are at the root of the broken economy – un-accountable banks and financially broken governments to name but two crises. So there could not be a better time for re-considering what makes for better organisation in the public interest.

## Democratic organisation

The model makes a bid for democratic organisation. Here this means *more* democracy and not necessarily total democracy. Democracy is a *relative concept*. We need more democratic accountability and places and spaces to enable people to have a more direct influence over government agencies, companies and charities. *Indirect democracy* is, on its own, not enough democracy. Election for office is no guarantee of accountability and in any case majoritarianism tends to squeeze out minority interests and water down the likelihood of smaller things and very specific things being achieved or even noticed.

Leaders need to be more accountable; and expertise (including professional and staff interests) needs to work in the interests of people rather than in their own interests. In order to make this happen at the organisational and service level we need people's interests represented through *direct democracy* mechanisms<sup>8</sup>

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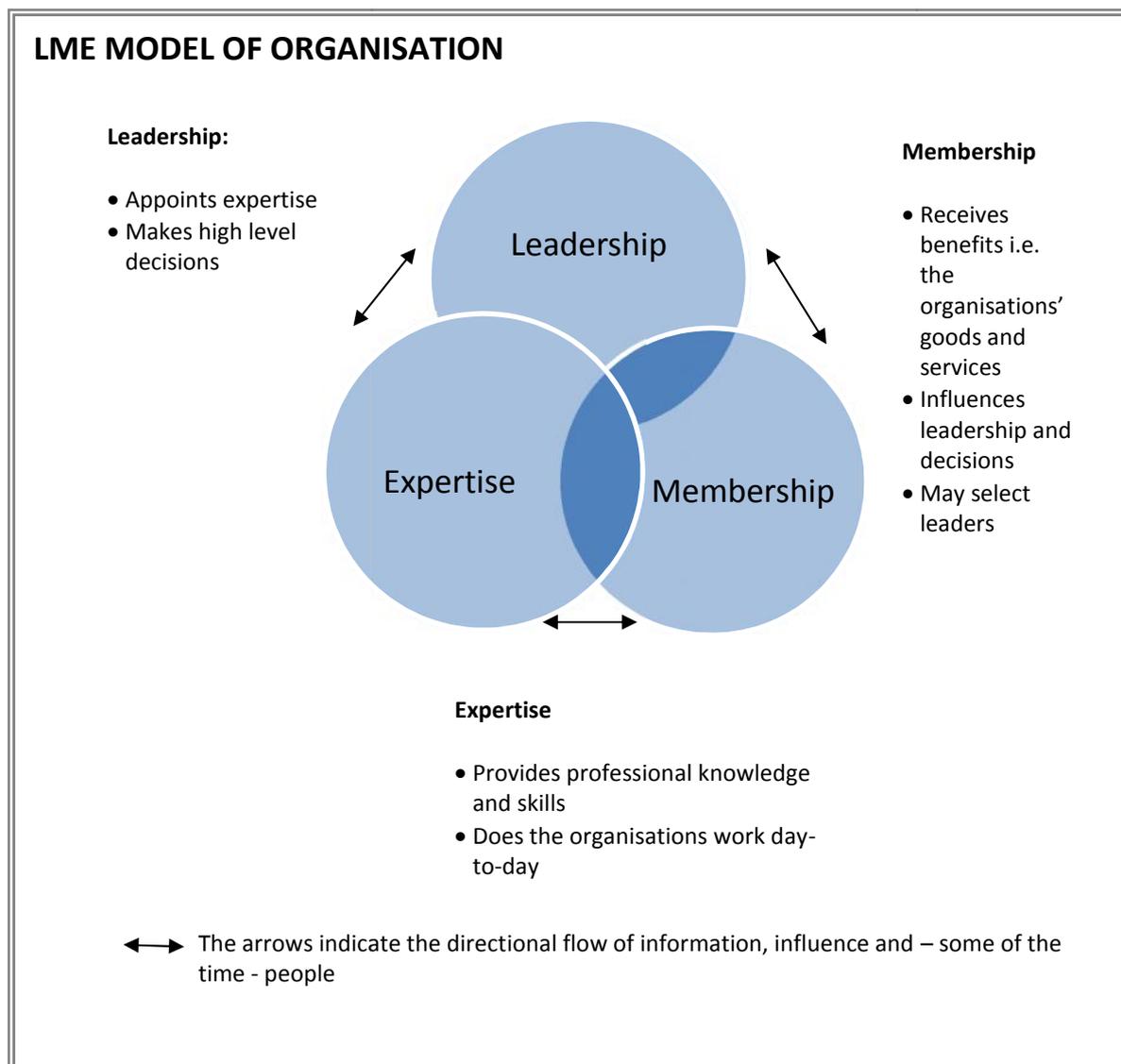
<sup>7</sup> LME has been an evaluative model much used in training and organisational development so has been the under-pinning of some organisational development and origination, plus it has appeared on many flipcharts!

<sup>8</sup> Direct democracy where people vote directly on issues or people chose representatives to decide directly on organisations or on policy areas. Methods include referenda, petitioning, participatory budgeting, mutual governance, co-operatives and service-user representation. See ["Consumer and Citizen: the difference in Theory and Practice"](#) for an insight plus also the series of ["New Facilitative Public Management papers"](#).

## Who leads, who chooses, who follows?

Often this is about balancing - or not - the different dynamics and interests in an organisation so that they can complement each other rather than compete. Like it or not organisational dynamics and the politics of power can determine success and failure as well as retain or lose a sense of mission and purpose. Organisations that claim to be, or aspire to be, member or people-driven, need to take special account of balancing membership, leadership and expert interests.

Here are the ideas modeled in diagrammatic form, some explanation of terms follows:



A moment on defining terms:

In terms of this model leadership, membership and expertise are *functions of organisational life* – if you will the life-blood of democratic organisation. Each community or interest is a required structural function and is interdependent alongside the other two.

Leadership, membership and expertise as functions are normally manifest as people in their roles but not always. People can be leaders, experts and/or members.

- **Leadership and leaders** direct the organisation or system
- **Members and the membership** are the beneficiaries of the organisation's efforts. They may or may not choose leaders.
- **Expertise and experts** is the general term used in the model for the knowledge and expertise brought in to do the work of the organisation. For the purposes of using LME as an evaluative model labour and staff are included in the expertise domain.

## Why Use the LME model?

Using LME as an appraisal tool focuses leaders – or any participant for that matter – on evaluating balance. Organisations are more likely to succeed when they get the balance right for their environment – where they are unbalanced they fail. Here balance means ensuring:

- Leaders and experts are *accountable* to the people for whom they are providing a service or product
- *Expertise is appropriate* to the mission and purpose of the organisation
- *Members' interests are at the core* of the what the organisation is and does
- *Processes for resourcing and sustaining* effective leadership, membership participation and (the right) expertise are sufficient
- *The best people progress* between the three functions whilst the right checks and balances are in place for minimising conflicts of interest

## Conclusion

Success cases in balanced power dynamics have some common strands. The overlapping and inter-dependent features of **effective leadership**, **empowered membership** and **accountable expertise** are working dynamically together pushing the organisation and its mission forward.

Looking at any life of any organisation can be really useful when considered through the lens of these three overlapping dynamics.

Representative democracy came along way in the last century from the cynical manipulation of power through iron oligarchy<sup>9</sup> through to universal representative democracy crossing cultural and

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<sup>9</sup> Michels identified the essence of democracy as only possible though organisation in his work *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy*. He posited the idea that

geographical boundaries. However the 21<sup>st</sup> century has seen a crisis of confidence in representative democracy and markets, and a necessity to nurture and facilitate more direct and elaborate ways of holding leaders and experts to account. This includes the requirement for better accountability at the organisational level. LME helps participants to get a grip on where their people and their processes are at and assess strengths, weaknesses and risks.

You might like to plot where your people are in your organisation and evaluate how effective these three functions of leadership, membership and expertise are.

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**Jim Simpson**

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<sup>1</sup> *This paper was written by Jim Simpson – consultant, evaluator, writer. For more articles, tools and think-pieces look at [www.jimsimpsonconsultancy.co.uk/resource-library](http://www.jimsimpsonconsultancy.co.uk/resource-library) plus services available and testimonials are on the site.*

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organisation was essential to the operation of democracy and that, with organisation, came rule by an elite or oligarchy