



Generating Change:

Creating a Talent Culture in a Time of Growth

Challenge:

Help a well-respected housing organization rethink its approaches to leadership and talent to capitalize on a changing environment

Approach:

Provide support for professional consulting services targeted toward leadership development and human capital management

Investment:

\$150,000 in general operating support over two years to the consulting organization

Result:

Nonprofit has undergone significant transformation and is implementing a three-year plan for developing talent

Players:

The Kresge Foundation, AchieveMission, Corporation for Supportive Housing

Understanding how to bridge the gap between talent needs and talented people, while preparing a team for growth or expansion, can stymie even the strongest leaders and the highest-performing organizations. That's the challenge that recently faced the Corporation for Supportive Housing (CSH).

An industry leader in providing supportive housing for vulnerable populations, CSH was preparing for some significant changes in its environment. New populations were emerging that needed its services. "We saw an opportunity to take CSH in an expanded direction," explains President and CEO Deborah De Santis. "This would expand our work, taking us into new sectors, so we needed new people with different experiences coming into CSH. We talked for a long time about the need to recruit 'rock stars.' But once we got them, how would we retain them? How would we develop the skill set of the rest of the organization? How would we groom both specialists and generalists?"

De Santis knew that CSH would benefit from working with someone experienced in human resources management and talent development. As luck would have it, an e-mail arrived in her inbox announcing AchieveMission's

second round of competitive applications for just those services.

AchieveMission, a nonprofit consultancy, was created in 2010 to bring professional human capital management practices to nonprofit organizations. In 2011, it merged with the Talent Initiative, a similar organization founded by Commongood Careers' James Weinberg. The Talent Initiative program became a signature annual offering of AchieveMission. With a balance of foundation support and fee-for-service revenues, AchieveMission has delivered its expertise to more than a dozen nonprofit organizations in the last two years.

"AchieveMission was very attractive to us because they were proposing something unique," says Kresge Senior Program Officer Caroline Altman Smith. "We had grantees that we believed could benefit from AchieveMission's consulting services. This partnership was a way for Kresge to add more value to those grantees, beyond the initial financial support we provided." Kresge supplied \$150,000 over two years to support AchieveMission's work with CSH and similar nonprofits. The W.K. Kellogg Foundation also provided support.

Why Invest in Building a Culture of Talent and Leadership Development?

"This is a way to support the growth and development of our grantees. AchieveMission's efforts will strengthen them and make them more sustainable, which also benefits our portfolio. It's another way we can add value to their work. It's also been exciting for us to join with other funders, like W.K. Kellogg Foundation, who are committed to these same issues."

— Caroline Altman Smith, Kresge Foundation



In Their Words:

“A nonprofit’s greatest asset is its staff. If they don’t continue to develop, they won’t be successful. Just funding priority program areas won’t get the outcomes that foundations desire. You only get to them when you have a talented staff and a strong infrastructure.”

— Deborah De Santis
President & CEO
Corporation for Supportive

Human Capital Expertise in the Nonprofit Sector

“While nonprofits and foundations recognize management and leadership challenges, most are not aware of the proven human capital management solutions to these same problems,” explains James Shepard, president and CEO of AchieveMission. “We saw that as a big disconnect within the field, but we also realized that we had an opportunity to translate best practices from the largest nonprofits and most successful corporations to nonprofits with less than a \$100M budget.”

“For example, when an organization says it needs to improve the development of its leaders, staff usually thinks about training,” Shepard says. “But leadership development happens best inside the organization: 70 percent of development happens through specifically chosen stretch assignments, 20 percent from a manager supporting an individual’s performance and development goals and only 10 percent from training. We help clients clearly understand what leadership capabilities they need, what they have and how they can best close that gap. Our approach allows an organization to build its leadership, more effectively achieve results and save money—it’s a win-win-win.”

Asking the Right Questions

“When we applied to work with AchieveMission, we were focused on our programmatic work and our business model,” says Stephanie Harms, chief of staff at CSH. “But many of our internal processes and approaches hadn’t been updated, and we didn’t know how to do that. Our form wasn’t matching the way we wanted to work. The competencies that were articulated in our job descriptions no longer supported the work we were doing. We asked for help changing core

competencies and strengthening our supervision practices.

“Instead, we learned during the discovery process that there were other things we should be working on first, like our leadership development culture, workforce planning and understanding and articulating the key roles we’d need to accomplish our strategies—and then placing the right people in those key roles. AchieveMission helped us understand that even though we’re a high-performing organization, that doesn’t mean everyone is achieving at the same level. They helped us better recognize performance and potential in our workforce and taught us a lot about where we were, where we should be going and how to problem solve.”

CSH worked with partner Mike Markovits and consultant Edith Buhs in AchieveMission’s Talent Initiative process. The process included six steps: 1) a sharing of perspectives on the overall project, 2) a discovery phase in which the consultants honed their understanding of the organization and supplied additional perspectives, 3) selection of priority areas in which to work, 4) education about and deeper analysis of priority topics, 5) creation and review of a three-year talent development plan and 6) implementation.

“CSH had a great track record of promoting talent from within its ranks and from within its field,” observes Buhs. “Generally those folks had interest and skill in housing, but not in leadership per se. Over time, this led to an underinvestment in the internal management necessary to move the organization forward at this age and stage. A shift in understanding helped them see the importance of investing in developing the next generation of leaders; with that platform we were then able to build their capability to become a leadership-development organization.”

New Perspectives and More Meaningful Conversations

Today, CSH has embraced its new talent development plan and understands the steps needed to implement it.

“One success has simply been helping the leadership of CSH understand the organization’s human capital management gaps,” observes Markovits. “Prior to our engagement with them, they knew they could do better but didn’t have a detailed idea of what they needed to work on. They had grown their talent in an ad hoc manner. Now they have a more strategically driven understanding of their leadership and human capital gaps, and they have a three-year plan that they can follow. They learned how they can build the team they need and set those people up to be most successful through things like organizational structure performance management and career development.”

“In the past, we considered staff development to be sending someone to a conference,” says De Santis. “Now our understanding has evolved. We know that staff

development includes where individuals see themselves three years from now, where the organization needs them to be and how we’ll get there together. It also gave me a better appreciation for what it takes to have ‘rock stars’ in our organization.”

“We have a much better communications loop now, including a better understanding of constructive feedback and how it fuels staff development,” she adds. “It helped change our culture from an organization of peers who are high achievers who don’t want to offer feedback to one that understands how to make feedback an everyday occurrence—in both directions. Having AchieveMission demonstrate why we should be doing this made it easier to change the culture.”

“Working with AchieveMission changed my perspective,” says Harms. “I used to concentrate on revising the forms and processes we were using, but what we really needed to work on was getting the conversation right. AchieveMission gave us a great platform for having those great conversations.”

Worth the Effort

Changing perspectives and practices wasn’t easy, but it was well worth it.

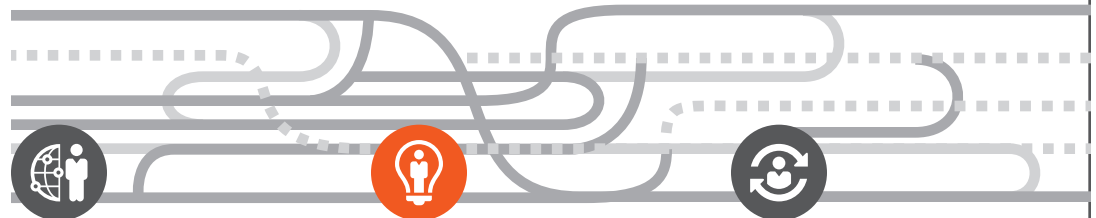
“If this work were easy, most organizations would have figured it out by now,” says Harms. “But most organizations aren’t set up to do this work. We had three deep conversations with our own senior leaders to make sure they had the willingness and commitment to do the hard work before we threw our hat in the ring.”

De Santis recommends that more funders consider the effort. “In this environment of cutbacks, we’re looking to nonprofits to do more work to address social needs, but we can’t have that expectation without recognizing that nonprofits need to strengthen their infrastructure in order to be successful. A nonprofit’s greatest asset is its staff. If they don’t continue to develop, they won’t be successful. Just funding priority program areas won’t get the outcomes that foundations desire. You only get to them when you have a talented staff and a strong infrastructure.”

The Nonprofit Talent and Leadership Development Pipeline

“Realignment” is just one of seven stages in the nonprofit talent and leadership development pipeline identified by Emerging Practitioners in Philanthropy. Each stage of the pipeline offers myriad ways for funders to support the future of the nonprofit sector. Learn more about each stage at:

epip.org/genchange



Filling the leadership pipeline

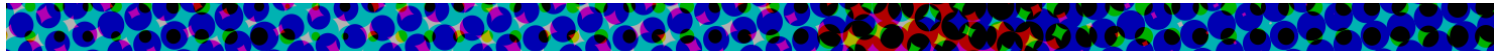
- Recruitment
- Retention

Developing and harnessing leadership talent

- Development
- **Realignment**
- Renewal

Transitioning and reengaging seasoned leaders

- Succession and transition
- Reengagement



Lessons Learned

- **External experts make good allies.** When funders think about the kind of partnership they'd like with their grantees, good options include supporting capacity-building organizations like AchieveMission or providing grantees with resources to identify consulting groups they'd like to work with. This is especially true for foundations with smaller staffs, fewer resources, or less staff capacity, says Altman Smith. "I'm certainly not an expert in every area, and I don't have the time to be as hands-on with my entire portfolio as I might like," she says. "Partners like AchieveMission spend all of their time and professional energy on this type of work, so supporting them is a good way to add value to the foundation's relationships with its grantees."
- **Contracts can be more concrete than research.** Contractual relationships with consultants can provide more concrete outcomes than just providing grants to research effective practices in the field, says Altman Smith. Because the work focuses on real-time practices rather than just concept or theory, it also can deliver more concrete examples of success.
- **There's a difference between being a client and being a grantee.** When a nonprofit is a client of a consultancy as opposed to a foundation grantee, it's paying for expert advice as opposed to receiving funds. This difference

in perspective and perceived relationships may mean that the nonprofit commits its own internal resources in a different way, suggests Altman Smith. Nonprofits may be more likely to "own" the work, sustain long-term benefits, strengthen their organizations over the long haul and change the way they do business.

"When a foundation provides funding to a consultancy directly, it's important to clarify the relationships between the nonprofit, the consultancy and the funder," adds Shepard. "It's essential for the nonprofit to pay for services with some of its own resources—even if subsidized—and for the nonprofit to know that it has a direct and confidential relationship with the consultancy. That commitment and trust allows the nonprofit to be more open with the consultants, make more strategically aligned decisions and really make the changes necessary to get results."

- **Let down your guard.** "Don't be fearful that an organization like AchieveMission is going to come in and expose all of the warts," says De Santis. "If they're good, they'll make it a transparent process and give you the support you need to make it a comfortable working environment. We all realized that talking about things that we had not done well in the past was how we would get better. It can be a scary conversation, but it's well worth the effort."

Voices of Experience

AchieveMission conducted an assessment of the Talent Initiative after its first year. The evaluation showed immediate impact and even larger gains in adaptive, leadership, management, technical and culture capacity over time. Here's what participants had to say:

- *We got so much out of it because we were at critical inflection point and had high-level people focusing energy on it.*
- *Being in the room with our middle management made me realize that ... they are a powerful resource that we underutilize. Talent Initiative is a really powerful tool for growing and investing in them.*
- *We have a board member with an HR background.... She said this program is as good as anything she's seen in the corporate world.*
- *Most consultants come and go—this sticks.*

Learn More

Find out more about how foundations are supporting realignment for nonprofit leaders at:

epip.org/genchange
kresge.org, wkkf.org
achievemission.org, csh.org

This case study is part of **Generating Change**, an initiative designed to illuminate, inspire and activate the funding community to invest in talent and leadership development in grantee organizations, across networks and sector-wide. Generating Change is an initiative of Emerging Practitioners in Philanthropy, a project housed at the Tides Center. Founded in 2001, EPIP builds extraordinary new leaders for foundations and the communities they impact.