

Summary: A Conversation about Next Generation Leadership

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Hau'oli Mau Loa Foundation convened 11 partner leaders on September 30, 2011 to discuss developing the next generation of leadership for their respective organizations. The Foundation felt this was a timely and important topic because many of its nonprofit partner organizations have very strong leaders, several of whom are also founders. The leadership they bring to their work is a significant contributor to the success of these organizations. Developing the next generation of leadership to support their transition is important. Further, the Foundation recognized that these leaders bring tremendous personal commitment to their work. Their decision to leave the role to which they have given so much, may present personal challenges to them. In light of the organizational and personal issues associated with leadership transition, the Foundation felt it could be productive to convene a discussion among a sample group of these individuals.

Foundation staff Janis Reischmann and Brant Chillingworth attended and Miki Lee facilitated. Pauline Lo Bailey, Director of Human Resources and Chief People Officer at Punahou School and Carol Ignacio, Executive Director of the Offices for Social Ministry and Affordable Housing, Catholic Diocese of Honolulu (also a Foundation partner) shared their perspectives on leadership development with the group. Mark Fox, Director of External Affairs for The Nature Conservancy of Hawai'i was on hand and shared the perspectives of a national nonprofit organization.

Participants were interviewed prior to the workshop to understand their perspectives on leadership development. Interview highlights include:

- The majority of partners believe developing next generation leadership is important.
- As well, the majority have no formal plan in place.
- How prepared organizations are varies from some partners admitting they give little thought to the topic, while others think about it frequently.
- Reasons for not having a formal succession strategy include partners being unsure of the best approach, not having the means (funds or qualified people), or conflicting priorities.
- Executives who are also founders have a particularly strong attachment to their organization, along with opinions about structure; they believe next generation leadership looks a lot like themselves and struggle to envision different models or approaches.
- Boards of directors were not often mentioned as having a role in the development of future leadership.
- Several organizations mentioned challenges they have with board membership, including difficulty recruiting new members, removing board members, and getting board members to better understand the organization and do more.

Pauline, the first guest presenter, noted that working with staff and boards on leadership change is a naturally messy process. She believes boards need to have an early and strong role in leadership development. To help board members, she suggests executives ask their board questions about the structure of the organization and the role and future of its leaders:

What is different about nonprofits than what the Board is familiar with in their own organizations?

In case of a sudden departure of the executive do we have an interim leadership plan and person?

Do we have the right people on the board to hire and support a new executive?

Can the executive's job be done by a regular human being?

Is our financial house in order? Can we get through a potential fundraising or income dip?

Are we paying our leadership staff enough to be able to recruit new people?

Are there any obvious candidates for the job? Are there people currently on the staff who expect to get the position? Is there anyone on the Board who wants the position?

Can we use this opportunity to promote the organization, create community goodwill, and fund-raise to honor the legacy of the executive?

Pauline talked about anticipating board member and staff concerns around change, including organizational and personal survival, fear and/or resistance, and fundraising dependence. She added that "moral courage" was necessary to look forward and to do what's best for the organization, noting that change is not easy or without challenges. Pauline suggests executives consider who best should hire their replacement. Otherwise the decision may be made without their input.

Carol, the second presenter, presumes that she, her staff, and the Diocese will not be the sustaining entity for mission and service-driven programs. The Diocese's role is to provide assistance starting up programs, minimizing risk, and helping them become self sufficient. So early on, they are planning to "spin off" programs to another entity. She suggests that organization's need not be held back by fear and should not accept "no" for an answer when they know it's the right approach.

She acknowledges that most community organizations are required to work within a pre-defined framework or "box" that may feel constraining. This reality should not prevent an organization from doing what's right. Instead, this condition requires organizations to be creative and to seek partners with the skills and knowledge to work within and around barriers. Carol suggests that a strong leader needs to be stubborn and values-driven and that they must surround themselves with people who will be honest with them.

Following the presentations participants were asked what they could do to develop their organizations' next generation leadership. Their ideas included:

- Let go.
- Give staff/others responsibility.
- Introduce staff/others to other areas within the operation to allow them see the big picture.
- Change the structure of the executive director position (make it part time, then expand the program position).

- Change the structure from a traditional top to bottom structure to a flatter structure, with shared responsibilities and decision making.
- Look for leadership potential at all levels of the organization, not just the typically senior level(s).
- Create manuals about roles and responsibilities to make it possible to help the organization should someone leave.
- Check our egos (Would it make a difference if you paid your potential successor more than you make?).
- Ask the board questions to help them learn and think strategically (rather than doing the work for them).
- Explore the new job/employment market; it's possible that there are now (over) qualified candidates more willing than before to volunteer or take a position; create opportunities for bright people without jobs.
- Move away from dependency on the founder.
- Continually measure and assess capacity; analyze what is missing, move people in/up, communicate to board and others, assess how it's working, and keep the cycle going (it never ends).
- Create a sustainable funding stream to allow for staff growth.

Participants were also asked to consider what would help them develop leadership within their organizations:

- Sharing human resources (grant writing and reporting and finance were specifically mentioned).
- Creating career opportunities so that working in a nonprofit is a career, not just a job.
- Knowing and having acceptable pay ranges – knowing what they are and having funding sources not questioning salaries.
- More funding partners willing to work “outside of the box.”
- Board development: How do we know we have the right skills and people; help recruiting; getting people with the “right heart”; and knowing how to develop board members.
- How to manage new opportunities to prevent burn out and mission drift.
- Access to the “right” partners that allow for greater success, complementary *kuleana*.
- Create a training or leadership institute for those interested or talented to learn across one or more organizations – from hands-on (program) work to administration; impart values, culture and mission.
- Need help finding people.
- Someone to connect people, institutions, community and resources to work on a project/opportunity.
- Tell our stories so that there is a broad base of knowledge, interest and understanding of our organizations and our work; people will want to work with us as a result.
- Bring young leaders into this discussion.
- Learn to identify and grow potential leadership.
- Continue this conversation.
- Share more stories of what's been done and what works.

Challenges that stand in the way of organizations developing leadership fall into a few categories. Participants cited a shortage of qualified or interested candidates, feeling confined by funders (expecting an organization that receives funds to behave a certain way), a lack of funding to hire additional staff or the right staff, and demanding priorities for time and resources. The ideas generated were as diverse as the participants. Participants were generally in agreement that larger organizations – with larger numbers of employees and bigger operating budgets – have more resources at their disposal for developing the next generation of leadership than smaller nonprofit organizations.

Other next steps could include:

- Board-focused activity to understand board perspectives on leadership development, succession planning, and board development.
- Help organizations develop and grow their boards.
- Help organizations develop documentation to assist in eventual transition of key/top positions.
- Work with organizations to identify and grow potential leadership already on staff.
- Work with organizations to identify and engage potential leadership not on staff (as an employee, volunteer, or intern).

The 11 participants brought a range of experience and perspectives, sometimes similar often unique. Participants contributed willingly and openly, demonstrating a desire and curiosity to contribute to and learn from the discussion. They also enjoyed meeting and hearing from colleagues grappling with the similar challenges and opportunities, and some indicated an interest in staying engaged and coming together in the future. Additionally, they were appreciative of the support given by the Foundation and for the opportunity to spend focused energy on a topic that while elusive, is very important.