Building a Leadership Development Culture at Your Nonprofit

February 12, 2013

Webast OnDemand available at achievemission.org/AboutUs/WebinarSeriesRSVP.html

Brought to you with the generous support of key funders
Welcome!

**ACHIEVE MISSION**

James W. Shepard, Jr.
CEO & Founder

Deborah De Santis
President & CEO, Corporation for Supportive Housing (CSH)

Stephanie Harms
Chief of Staff, Corporation for Supportive Housing (CSH)
About AchieveMission

Who We Are
- AchieveMission empowers nonprofit organizations to scale and sustain their impact by strengthening leadership and human capital management capabilities

Human Capital Management Areas of Expertise
- **Human Capital Management Strategy & Governance**
  - workforce planning, competencies, metrics, board’s role in governance
- **Stronger Leadership & Team**
  - succession, leadership & professional development, talent assessments, HIPO program
- **Alignment & Accountability**
  - goal management, performance management, balanced scorecards
- **Optimized Performance**
  - organizational structure, internal communications, culture, decision-making

Services
- Talent Initiative program
- Custom Consulting & Advisory
Agenda

1. Why the focus on Leadership Development?
2. Case study: Corporation for Supportive Housing
3. Q&A
Four Trends Lead to Increased Focus on Leadership and Human Capital

#1: Knowledge economy

<table>
<thead>
<tr>
<th>Year</th>
<th>Intangible Assets</th>
<th>Tangible Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>2010</td>
<td>More than 85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

#2: Leadership Crisis

- CompassPoint, *Daring to Lead*
- Bridgespan, *The Leadership Deficit*

#3: Shift towards focus on accountability & outcomes

- Govt: Race to the top, SIF

#4: Growth funding

- Venture philanthropy

Source: Brookings Institute
Evolving Best Practices in Leadership Development

Individual → Collective

Classroom → 70/20/10

Ideas & concepts → Actions & results

Building internal processes to support sustained leadership development
Agenda

1. Why the focus on Leadership Development?
2. Case study: Corporation for Supportive Housing
3. Q&A
About CSH

For 20 years CSH has been the leader of the national supportive housing movement

How We Drive Impact

CSH makes a measureable difference using six key strategies.

- Innovate, measure and evaluate smart solutions
- Lead and expand the supportive housing industry
- Engage and influence policy and decision makers
- Reform and improve government systems
- Educate and empower industry players
- Fund new projects and programs
7 Steps We Took to Build a Culture of Leadership Development

1. Recognized need
2. Defined leadership & talent needs
3. Determined what leadership & talent we had and gap with what we needed
4. Decided roles of development vs recruiting
5. Used succession-driven development
6. Set metrics & reporting
7. Clarified who was responsible
#1: Recognizing the Need

**History of High Performance**
- Leader of the National Supportive Housing Movement for 20 years
- Completed 150,000 new units in last 10 years

**2010: Big Strategic Changes Coming**
- Expanded geography
- Expanded policy sectors
- New regional structure using project-based management
- New programs
- New earned revenue models
- Stronger focus on partnerships

**Applied for Talent Initiative with AchieveMission**
- Strategic plan called for investing in leadership & talent
- Long tenured, highly skilled staff not positioned for change
#2: Defined Leadership & Talent Needs

New Strategy

- Expanded geography
- Larger policy role & in more sectors
- New programs
- New earned revenue models
- New regional structure & project-based management
- Stronger focus on partnerships

New Leadership Needs

1. New roles
2. New capabilities in current roles
3. Higher & more consistent standards
4. Some old capabilities became less important
#3: Defined Leadership & Talent We Have

Talent Review with Sr. Leadership

Nine-box of potential & performance

Succession charts for key roles
- Targeted leadership development plans for potential successors
Defining the Leadership & Talent We Have: **Nine-Box**

![Nine-Box Diagram](image-url)
### 9-Box Descriptors of Performance & Potential

<table>
<thead>
<tr>
<th>Performance Low to High</th>
<th>Potential Low to High</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Performance</td>
<td>High Potential</td>
</tr>
<tr>
<td>Low Potential</td>
<td>Low Performance</td>
</tr>
<tr>
<td>High Performance</td>
<td>High Potential</td>
</tr>
<tr>
<td>Medium Performance</td>
<td>Medium Potential</td>
</tr>
<tr>
<td>Low Potential</td>
<td>Low Performance</td>
</tr>
<tr>
<td>High Performance</td>
<td>High Potential</td>
</tr>
<tr>
<td>Medium Performance</td>
<td>Medium Potential</td>
</tr>
<tr>
<td>Low Potential</td>
<td>Low Performance</td>
</tr>
</tbody>
</table>

*New Hire/ New to Position*
9-Box: A Finished Assessment Example

<table>
<thead>
<tr>
<th>Potential Assessment</th>
<th>Performance Assessment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Hi-Professional (15%)</td>
<td>Current Star (10%)</td>
</tr>
<tr>
<td></td>
<td>Chris Osterhaus, VP Finance</td>
<td>Theresa Fujimoto, VP Human Resources</td>
</tr>
<tr>
<td></td>
<td>Lorraine Rasner, VP Development</td>
<td>Brian Fromanski, Dir Technology</td>
</tr>
<tr>
<td></td>
<td>Thomas Warren, VP Programs</td>
<td>Erik Moore, Program Mngr</td>
</tr>
<tr>
<td>High</td>
<td>Super Star (10%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Esteban Sanchez, Chief Operating Officer</td>
<td>Lisa Murray, Director Programs</td>
</tr>
<tr>
<td>Moderate</td>
<td>Solid Professional (10%)</td>
<td>Key Player (25%)</td>
</tr>
<tr>
<td></td>
<td>Mary O’Malley, Director Support Services</td>
<td>Maurice Kender, VP Partnerships</td>
</tr>
<tr>
<td></td>
<td>Russ Jones, VP Planning</td>
<td>Cherise Seller, Director Quality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jill Green, Director Development</td>
</tr>
<tr>
<td>Low</td>
<td>Under Performer (10%)</td>
<td>Inconsistent Player (5%)</td>
</tr>
<tr>
<td></td>
<td>William Starski, VP National Fundraising</td>
<td>James Chavez, Regional Mngt</td>
</tr>
<tr>
<td>High</td>
<td>Future Star (10%)</td>
<td>Rough Diamond (5%)</td>
</tr>
<tr>
<td></td>
<td>Rita Jordein, Director Programs</td>
<td>Quentin Beecher, Regional Mngt</td>
</tr>
</tbody>
</table>
### Creating and Using the Nine-box

#### Mechanics

**Who**
- 1st: senior executive team assessing all direct reports
- 2nd/3rd: all levels

**Process**
- Assess own direct reports
- Share, calibrate & consensus

**Challenges**
- Create safe, constructive, confidential space
- “Get it right”
- Time

#### Impact

- Candor and constructive discussion
- Team ownership of talent
- Calibration
- Shared and higher standards
- More accurate assessments
- Better development plans
- Input into talent pipelines & succession plans
### Potential Successors (9/24/12) (one example role)

<table>
<thead>
<tr>
<th>Role</th>
<th>Incumbent</th>
<th>Internal / External</th>
<th>Ready Now</th>
<th>1 Job Away</th>
<th>2 Jobs Away</th>
</tr>
</thead>
<tbody>
<tr>
<td>VP Programs</td>
<td>Thomas Warren</td>
<td>Internal Candidates</td>
<td>Lisa Murray, Director Programs</td>
<td>Rita Jordein, Director Programs</td>
<td>Erik Moore, Program Mngr</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Theresa Fujimoto, VP Human Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>External Candidates</td>
<td>Carol Guttery (VP Programs for CFED)</td>
<td>Lindsay Firestone (alumni)</td>
<td>Tom Eddington (Board of Directors)</td>
</tr>
</tbody>
</table>

**GAPS/WORRIES and DEVELOPMENT OPTIONS FOR TOP SUCCESSORS**

**Lisa Murray**  – Ready now with little if any more development needed. Biggest worry = if she can be diplomatic and be a little less direct as the situation calls for it. **ACTION** – Warren finds out if Lisa’s abruptness is common with others too. If so, then give Lisa that feedback.
7 Steps we took to Build a Culture of Leadership Development

1. Recognized need
2. Defined leadership & talent needs
3. Determined what leadership & talent we had and gap with what we needed
4. Decided roles of development vs recruiting
5. Used succession-driven development
6. Set metrics & reporting
7. Clarified who was responsible
#5: Succession-Driven Development Plans

- Goal setting at start of the year
- For every employee with a manager

1. Name possible future responsibilities or roles

2. Identify gaps that limit the employee’s ability to take on new responsibilities or successfully compete for new roles

3. Build plans for the employee to close those gaps

Big Changes

1. Understand staff more
2. Development now driven by organization’s & individual’s needs
3. Managers held accountable
4. Development as team effort
#7: Clarified who is Responsible

- **From**
  - HR: Responsible; mismatch
  - Executives: CEO only
  - Board: None or unclear
  - Managers: Limited and unclear
  - Staff: None or unclear

- **To**
  - Team:
    - Support
    - Executive team
    - Model & policies
    - Hire & develop
    - Achieve development goals
# Impact

**Better Leadership Development Processes**

- Development focus and quality
- Development resource allocation
- Recruiting
- Transitions
- Succession
- Training
- Transparency

**Results**

- People we need
- Few fires / lighter
- Mission – more confident that we will achieve our goals
Agenda

1. Why the focus on Leadership Development?
2. Case study: Corporation for Supportive Housing
3. Q&A
Thank You!

Webcast on Demand of this presentation available at achievemission.org/AboutUs/WebinarSeriesRSVP.html

For access to other free resources, please email register@achievemission.org

James W. Shepard, Jr.
CEO & Founder
james@achievemission.org