



The Kresge Foundation - AchieveMission Pilot to Strengthen Human Capital Practices in High-Potential Nonprofits

In early 2015 The Kresge Foundation partnered with AchieveMission in a pilot program to build the foundational elements of leadership development and human capital management in promising grantees. The core of the program, Talent Initiative, is a consulting, coaching and training engagement that helps organizations establish the leadership, culture and structure they need to implement their strategies and drive meaningful social change.

Six organizations were chosen for the pilot in a unique application and assessment process. For more information about AchieveMission and Talent Initiative, visit www.AchieveMission.org or call 800-834-0717 x700.

BUILDING AN HCM FOUNDATION ON BEST PRACTICE

The Institute for Market Transformation had an enviable record of retaining talent. How could they improve on what had already worked?

An interview with Cliff Majersik
Executive Director, Institute for Market Transformation

The Institute for Market Transformation (IMT) was founded in 1996 to promote energy efficiency, green building, and environmental protection in the United States and abroad, with particular focus on buildings. Hired in 2002 as one of two employees of the organization (“the two of us were both chief cook and bottle-washer”), Cliff Majersik became the Executive Director a few years later. A little more than a decade later, IMT has an operating budget of more than \$6 million and employs more than 30 professionals

“You learn that human capital management is not only important. It’s urgent.”
Cliff Majersik

Despite the inevitable twists and turns on the path to growth, Cliff says, IMT is proud of its record of retaining great people. Yet over the past few years a couple of departures had led Cliff to think more carefully and methodically about talent. “In a relatively small organization, just a couple of departures is a bump,” he says. “And we’re likely to continue to grow, but at a slower pace. We needed to put more emphasis on a few areas of leadership and management in order to be able to attract and retain the people we want. And in order to make certain they see us investing in them and their careers.”

Enter The Kresge Foundation, a longtime supporter of IMT, with a unique invitation: to apply for a grant to build and implement the foundational elements of leadership development and human capital management in the organization, and to work with nonprofit consulting firm AchieveMission to identify the challenges and develop strategies to engage, position and support the organization’s next generation of leaders (see insert). IMT was chosen for a pilot grant along with five other high-potential nonprofits. IMT’s engagement with AchieveMission, which employs the six-month consulting, coaching and training program Talent Initiative, began in April 2015.

We sat down with Cliff to check in on IMT's progress and to learn from their experience.

AM: Why was the Kresge invitation so compelling for you?

CM: Over the years, as we have hired new people, we've had to introduce more policies and processes. We've also had to be more formal in our leadership and management.

We had actually instituted quite a number of human capital management practices. For example, we have established Key Performance Indicators [KPIs, a metric used to evaluate critical success factors] and cascading goals. We do annual performance reviews, formal 360-reviews [involving feedback from multiple sources, including self-assessment] plus less formal check-ins. We have a solid annual budgeting process.

“Aligning everyone around our new way of working and having the tools to monitor our progress was extremely important.”

We are now are in the process of a reorganization, from four divisions to two larger teams led by senior people who are part of a new leadership structure. I wanted a sounding board on that. I am also interested in best practices: understanding how learning organizations are formed. [There are] a lot of things we still want to do. This seemed like a great opportunity to get expert advice.

AM: Did you have specific goals?

CM: First, again, we wanted to make certain that we had designed the right structure to move IMT forward. We definitely wanted advice on that. With AchieveMission we chose to focus on Leadership and Professional Development; Board Best Practices; and Align, Monitor and Support. Aligning everyone around our new way of working and having the tools to monitor our progress was extremely important.

AM: Who from IMT has been involved?

CM: Our Human Capital Management Council is comprised of our organization leaders: me, our Chief Financial Officer, Chief Operating Officer, and our original four Program Directors, whose support is critical as we move to the new structure.

AM: What are the important insights you're taking away from the work?

CM: Although we had done some good foundational work in human capital management, we are now much more intentional and explicit. To some degree we'd been working in “if it ain't broke don't fix it” mode. Or, fix it with the smallest investment of time. Now we will have systems in place to know when things are falling behind before they show signs of breaking.

We have a new organization chart and, having done a thorough performance assessment, we have strong alignment within our leadership around identifying and developing our high-potential employees. We have career paths, succession plans—in the past, this was left to employees. Now it's a manager's responsibility to work with their team on these. The Board also has broad agreement around the topics of evaluation and succession.

AM: Any revelations?

CM: It's very early, but it's pretty apparent that without the human capital management systems we're putting in place we would have reorganized more slowly and less smoothly.

AM: What has been most valuable to you—the strategy work or the implementation work?

CM: For us, the ability to work with experts on implementation was very attractive.

AM: As we interview our clients, we often hear that nothing is more important than developing and managing their human capital. Yet most organizations don't prioritize this over other concerns. Why do you think that is so?

CM: Most nonprofit executives have too much on their plate; they're short-staffed and spread too thin. Doing this work well takes time and effort away from the urgent, which tends to be the primary focus over the important. You learn [from the process] that human capital management is not only important. It's urgent.

I think we also realize on some level that there are going to be some difficult decisions required. There is a natural reluctance to engage on that level.

AM: Do you have any advice for other nonprofit CEOs who are thinking about leadership and talent?

CM: My advice is mainly around expertise. Don't disregard best practice. You'll be better off following what has been proven over and over again to work. And it's valuable to have experts to guide you.

Don't let "busy" be a distraction. Your human capital management is the foundation for everything you do.