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Leadership Priorities:

What facets of management
shouldn't you delegate?

By Jeff Bradach
and Kirk Kramer

As a nonprofit leader, you know in your bones that there aren't enough hours in the day to invest equally—and effectively—in all the issues vying for your attention. To make your job doable, you have to delegate some of your responsibilities as well as, whenever possible, the attendant decision-making authority. But which ones cannot be assigned to anyone but you? Bridgespan research points to two critical areas that uniquely require the top manager's attention: *aligning staff and other stakeholders around a common set of priorities* and *developing the organization's leaders*.

Why goal alignment and leadership development? There are three key reasons. First, these are the areas most often in need of reinforcement according to the leaders and staff of more than 200 nonprofits who have taken Bridgespan's organizational diagnostic survey. Leadership development and succession is far and away the number one organizational weakness cited by survey respondents, while setting priorities and communicating them, internally and externally, are both among the top five. (More information about this survey can be found in "[Becoming a Highly Effective Organization](#).")

Second, it is very difficult to delegate responsibility for these areas effectively (although you can certainly get assistance). Setting priorities requires *you* to synthesize multiple valid and important points of view and, ultimately articulate how the organization's vision connects to impact. Getting the organization to agree requires *you* to engage with board members, management team members, other staff, and volunteers. And by definition, *you* are the only one with an overview of the senior management team, and the only one who knows whether team members collectively have the capabilities required to achieve the organization's goals. You are the only one who can assess these managers, help them determine what it will take to develop, and identify gaps in expertise that cannot realistically be filled internally.

Finally, many other management tasks flow from these two areas, including resource allocation, assigning people to priorities, role definition, project initiatives, and process improvements. Ultimately, the success of the organization—its ability to deliver consistent results and increase its impact over time—rests with having thoughtful and well-understood goals and the right senior leadership team making decisions about how the organization can best deliver on those goals.

This brief article offers advice on these two very important areas of focus. It is based on Bridgespan's experience with clients, results from our organizational diagnostic survey, and interviews with nonprofit CEOs and Executive Directors (EDs) who have purposefully worked to define clear organizational goals and build their organizations' managerial "bench strength." Throughout the piece, references and links to case studies, research, and other resources provide a more in-depth consideration of the challenges nonprofit leaders face and the most effective ways we've identified to address those challenges.

Boston

535 Boylston St., 10th Floor
Boston, MA 02116
P 617 572-2833
F 617 572-2834

New York

112 West 34th St., Suite 1510
New York, NY 10120
P 646 562-8900
F 646 562-8901

San Francisco

465 California St., 11th Floor
San Francisco, CA 94104
P 415 627-1100
F 415 627-4575

The Power of Aligned Priorities

Your organization should be a function of your strategy, not the other way around; that's why we're starting with this area of focus. With shared goals, priorities become clear. When priorities are clear, it's easier to make a compelling case for funding. It's also easier for members of the senior management team to agree on the most effective way to allocate people's time and the organization's financial resources. It's easier to see where you might be able to delegate certain elements of your job with confidence—maybe to someone who is actually better suited to take on those challenges, or maybe to someone with leadership potential. “Holes”—in terms of roles and skills—are more readily revealed, as are vague or misleading reporting structures. Last but definitely not least, it's easier to say “No” to any proposals, programs or other activities that are not core to your organization.

The experience of James O'S Morton, CEO of the YMCA of Greater Springfield (MA), offers a good example. Morton was fortunate in that he became CEO shortly after a new, five-year strategic plan was completed and approved by the board (Morton, in fact, had participated on the strategic development committee as a community member). As he explained, “[For] everything we do, my job is to make sure that it rings true with and is connected with one of the strategies set out in our plan. If it isn't a part of the strategic plan then I don't do it and I don't move forward with it.

“Someone called me [recently] and said, ‘Is your Y interested in teaching English as a second language?’ Well that's what I did before I came here. It would be a perfect fit in many ways with what our mission is here at the Y. But that's not something that we should be doing. So what I said to that person is ‘If you are interested in leasing space from us, and you want to come in and run that kind of program then let's talk. But if you're looking to the Y to actually operate an English-as-a-second language program, we're not the organization that can do that right now.’ I'm trying to be very intentional in the work that we do so that we don't try to do too much.” (Morton's experiences leading the YMCA of Greater Springfield (MA) are shared in the article [“James O'S Morton: Life as a Nonprofit CEO.”](#))

Establishing a common frame of reference and understanding

The first step in fostering alignment around priorities is determining whether such alignment already exists and, if so, to what extent. One way to find out quickly is to conduct a simple experiment: At the next meeting of your senior team, ask everyone to write down the organization's top priorities for the next one to two years—no conversations, just write them down. If there's significant convergence in the answers, that's good news. Unfortunately, for most nonprofits, universal agreement is rare. (Even among highly focused organizations, it's possible for priorities to change for certain constituencies without the rest of the organization's knowledge, because of budget pressures, funder's desires, shifting beneficiary needs, or other influences.)

Another way to assess alignment is to ask each member of the senior team to reflect on the events of the past 12 months. Before that period began, how did they think they were going to spend their time? How did they want to? What actually happened and why? The answers can paint a vivid picture of real-time concerns and illuminate key gaps between intention and practice.

Does divergence on priorities amongst your management team mean that you need to engage in strategic planning? Maybe, but probably not. In our experience, you are likely to be facing one of three situations, each of which requires a different approach. First, you might have a strategic plan with well-defined priorities, but those priorities might not be clear to everyone in the organization. Perhaps once the plan was completed, they weren't shared regularly along with updates on progress. Or maybe you've had turnover in the management team and the newer members need to understand prior thinking. To get everyone on the same page, size the effort to the challenge. You might need to work with a few individuals to get them up to speed. Perhaps a management team offsite would help refresh and refine the team's understanding of the strategy and key priorities and set in motion a communication process to reach others in the organization. (As previously mentioned, this is a common organizational weakness.)

Second, you may have a good strategy, but with changing times (e.g. an economic downturn) you may need to clarify the goals and specific priorities for the next few years. This scenario is likely to require more effort, most likely a series of off-site meetings involving the management team and possibly key board members or other stakeholders. You may also need some analysis of the current situation to confirm that the fundamental strategy is sound and to help guide the setting of goals and priorities for the next few years.

Finally, if it has been some time since you've developed a strategic plan, and the environment has changed, then it might well be time to update your strategy and set new priorities. That was the catalyst for Dan Cardinali, executive director of the youth-serving organization Communities In Schools (CIS), to engage the organization in a strategic planning effort in 2004. While it might have been more expedient to set new goals for CIS by himself, or with feedback from a small group of people, Cardinali felt that an inclusive strategic planning process would both encourage an earlier and deeper level of understanding and engagement throughout the organization, and result in a plan that reflected a true synthesis of top-down and bottom-up points of view. To that end, he solicited input from the management team and full staff at the CIS national office, state and regional office directors, directors of local affiliates, and CIS board members. As Cardinali reflected in February 2010, "Looking back at what we've accomplished since 2004, it's clear that the complexity of the process was worth the effort. Our strategy is stronger because it reflects knowledge from all parts of this organization about the way things get done on the ground. Plus, the process now serves as a powerful tool validating our network-wide direction and encouraging us to continue forward despite internal and external resistance. Our organization as a whole

is stronger because our constituencies understand why we have the priorities we do, and that they accurately reflect the needs of the people we serve.”

Importantly, establishing clarity and alignment on priorities is not a one-off proposition. Monitoring performance against priorities is also necessary: to maintain alignment by keeping the organization’s priorities front and center (thereby addressing the communications issues highlighted in Bridgespan survey results); and to help you determine if they need to be revised because of changing circumstances.

Questions to ask yourself about priorities

- Am I getting the feedback I need to know if my organization’s priorities are clear to all key stakeholders?
- Do my board, management team, and funders agree with the organization’s priorities?
- We’ve said that our priorities are X, Y, and Z. Are our resources allocated accordingly, and are our actions consistent with our objectives?
- Is my organization tracking the information we need to understand the progress we’re making against our priorities? Will that information show us where we need to adjust our actions? What are those key pieces of information? How do they demonstrate our commitment to our priorities?
- Am I regularly communicating and reinforcing the priorities to my entire organization? Am I explaining where we stand in terms of achieving progress against them?
- Are our plans and priorities outdated? Has the environment changed in a way that requires us to rethink our strategy and develop new priorities? Have our challenges changed?

Developing Today’s Leaders and Tomorrow’s

Investing in your organization’s current and potential leaders can feel like a luxury. But the capabilities and capacity of your top team determine the organization’s future. Most organizations simply can’t scale their impact faster than they grow their people—individually and collectively.

It may be helpful to think about this task as a three-step process (even if, in practice, the experience won’t be linear): 1) Look at your organization’s strategy and priorities through the lens of the capabilities they require, and assess your management team against those requirements; 2) Identify ways to develop current team members and consider development opportunities for promising staff at lower levels in your organization; 3) Determine where gaps exist and hire in to fill them.

Step 1: *Translate your organization's strategy and priorities into the leadership and management capabilities that will be required to execute on them, and then assess your current management team against those requirements.* Ask: What capabilities will require fortification if this organization is to act effectively on the priorities we have identified? To illustrate, consider the experience of Father Steven Boes, the national executive director of Boys Town. When Boes developed a growth strategy premised on scaling local sites, he recognized he would also need general managers to run them. Historically, Boys Town's site managers were selected because of their strong program management skills. But as Boes considered the site manager role against the organization's future needs, he realized that they would need strong fundraising, financial, advocacy, and team leadership skills as well.

Step 2: *Based on that assessment, identify ways to develop the capabilities of your current management team (considering the possible turnover your organization might reasonably expect to have in the next few years as well). Apply the same thought process to the potential replacements for your current management team—the rising stars from the next level down in your organization.* These individuals are a good source of bench strength. In fact, in a Bridgespan study published in 2009, "[Finding Leaders for America's Nonprofits](#)," responding nonprofit leaders indicated that from June 2007 to December 2008, 25 percent of all senior management positions were filled via internal promotions.

With your current senior team, focus your development thinking two to three years out, and ask: What capabilities will these individuals need? In our experience, most nonprofits provide few development opportunities for their current managers. And much of what is provided is reactive: for example, sending a person to a conference or possibly a course that he or she has asked to attend. These experiences can be helpful, but they are seldom enough to build the skills needed to take on additional responsibility or move into a higher level position. To do that, it's likely you will need a development plan that spans several years. For example, suppose you have a fantastic program leader whom you see as a potential successor for your position. She is very strong on internal management skills, but lacks both the externally-facing skills and the financial acumen needed to excel as an executive director. In this case, the best development plan would include systematically involving her in a series of relevant activities. You could have her: attend meetings with funders and potential funders, and, over time, take the lead with presentations and follow-up; ask her to play a larger role in board meetings, including helping you structure the agenda for meetings; manage groups of volunteers; and/or participate in financial reviews and eventually take the lead to develop the organization's overall budget. Courses and conferences that directly reinforce such skill-building activities are certainly worth considering as well, but they must complement rather than substitute for hands-on experience.

The process for developing rising stars from lower levels of management is roughly similar, although it will involve more people, since they will not be your direct reports, and developing them will necessitate

building their growth into the organization's overall human resources system and performance evaluation practices. The first step is identifying the two or three things the person needs to develop to qualify to take on another role. Then look for natural leadership-building opportunities within your organization that dovetail well with those development objectives. Conventional wisdom to the contrary, opportunities to exercise leadership (and test leadership potential) do exist—and even the smallest organizations have an amazing repertoire. Natural candidates include: leading an IT project; developing a grant proposal; and organizing an annual staff retreat.

The way in which Year Up, a nonprofit that serves urban young adults, structures regional executive director (ED) roles provides a good example of effective internal talent development. Regional EDs have budget and operational responsibility for their local sites. They also spend 10 to 15 percent of their time on "corporate" projects, which provide them with broad organizational perspective and experience. In some cases, the regional EDs gain experience leading their peers; in others, they work as project team members, learning about their peers' interests, strengths, weaknesses, and work styles. This approach helps Year Up develop well-rounded leaders who are steeped in the organization's culture; an added benefit is that it keeps Year Up's national office well connected with the field.

While developing people slowly and deliberately is not easy, in our experience, sourcing talent internally has many benefits. These individuals tend to be a strong cultural fit, having lived the organization's values for an extended period of time. What's more, they will have developed their managerial skill set in a way that's tailored to the organization's specific needs. As Kathleen Yazbak, a Bridgespan partner who has led dozens of executive searches in the sector notes, "If an internal candidate brings at least 70 percent of the skills needed to do the job, and you know that this person has the cultural fit to be successful, there's less risk involved than with an external hire. Of course the biggest challenge is figuring out what the 100 percent should be, and thus whether someone hits 40 percent, 60 percent, or 70 percent." (For more information on developing and evaluating internal candidates, please see the article "[Considering and Evaluating Internal Candidates for Senior-Level Nonprofit Roles.](#)")

Step 3: *Determine where gaps in roles and/or expertise will persist despite internal development, and engage in external hiring at the appropriate time.* Despite the advantages of promoting internally, hiring from the outside is often necessary and can bring distinct benefits, such as much-needed specialized expertise, an infusion of fresh thinking, or an enhanced ability to understand the policy or funding landscape, or the communities or regions in which the organization operates.

Several factors can complicate external hiring, however. One is an internal bias (however subtle) against senior-level hires from the "outside." Current members of the management team may worry about cultural fit, particularly if the new hire is coming from the corporate world. Referring back to the

organization's priorities can help build the case for external hires in this situation. Tailoring your recruiting process to ensure that you're identifying and attracting the best outside candidates can smooth the eventual transition. And there are numerous "onboarding" methods to help new and existing staff begin to work together effectively as quickly as possible. (For more on transitioning external candidates, please see the article "[Hiring a Bridger](#).") Funding may be another complicating factor, but again, having solid goals and priorities should help you bring a compelling business case to funders. ("[The Nonprofit Starvation Cycle](#)" explores this issue in greater detail.)

The experience of Self Enhancement, Inc. (SEI), a nonprofit agency supporting at-risk youth on the northeast side of Portland, OR, shows the value of facing up to this challenge sooner rather than later. In 2006, SEI's board approved a three-year growth-oriented strategic plan, which was subsequently funded by several foundations including the Edna McConnell Clark Foundation (Clark). SEI, led by president and CEO Tony Hopson Sr., then swung into implementation mode. During the planning process, SEI's leaders had been encouraged by Clark and outside advisors to add management capacity, but they had demurred. They believed that they could grow successfully with their existing staff, and they were worried about diluting the organization's close-knit culture. Soon, however, team members realized that SEI's new plan required specialized expertise that they did not possess as well as additional senior staff. To cite two examples: The IT area needed additional expertise to develop a performance management data system, a key supporting feature of the growth strategy; and the existing HR function simply did not have the capacity to hire the youth coordinators required by the plan while concurrently making dramatic improvements to SEI's internal training programs.

There was no provision in SEI's budget to address these needs; however, Hopson and his colleagues had become convinced that the additional staff and expertise in HR, IT, and other areas were essential if SEI were to execute successfully on its plan. They made the call to go ahead and hire the additional staff, even though it meant additional fundraising to secure the money to do so. Looking back on this decision, they saw it as a turning point in their implementation—the point at which they fully came to terms with the requirements of their growth aspirations and determined to follow through on them. (A full account of SEI's strategy-to-implementation experience is told in "[Self Enhancement, Inc.: From Strategy to Implementation](#).")

Questions to ask yourself about developing future leaders

- What are my organization's capability gaps and how can I address them? Do I have the right people on the management team, and are they in the right roles? With further development, can they fill the gaps, or do we need to hire externally?
- Do we know who our "rising stars" are? Are these potential leaders getting sufficient development opportunities and the support they need to progress?
- Did the time I devoted to our last external hiring process reflect the importance of that position?

One of Your Organization's Most Valuable Resources: You

Building your organization's management potential is critical. But beware of getting so caught up in running your organization that you neglect to pay sufficient attention to one of its most valuable resources: yourself. It's not just your team members who need to keep getting better at what they do. You do, too—and for the same reason that flight attendants tell airline passengers to put their own oxygen masks on before helping others. If your capabilities fall short of potential, you won't be able to lead your organization as effectively. (For more on this topic, please see "[Strongly Led, Under-managed: How can visionary nonprofits make the critical transition to stronger management](#)," and also "[Aspire Public Schools: Building the Organizational Capacity for Healthy Growth](#).")

A big part of paying attention to yourself means getting meaningful feedback on how you're doing from the multiple constituencies you serve and acting on that feedback appropriately. This feedback is critical because, as our surveys have consistently shown, the top manager's view of how his or her organization is doing is often distorted. More to the point, your organization's managerial weaknesses may well be greater than you perceive them to be. Our organizational diagnostic research has shown that leaders systematically rate their organization's performance on key dimensions of management more highly than their broader management teams do. (For more on this topic, please see the article "[Beware Your Leadership Blind Spots](#).")

Getting this feedback can be painful, as shortcomings in your leadership approach will likely surface. But these feedback loops will also show you your strengths. And, they'll provide another data point that you can use to inform your thinking as you consider the responsibilities of your job against your organization's priorities, and against what you can reasonably hope to accomplish as an individual.