

Developing Leaders

Collaborating to accelerate social impact

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Current Context

- In the midst of the “Great Quit” of workers employers need to be focused both on recruitment and retention*
 - Vacancy rates between 10% and 19%: About 15%
 - Vacancy rates between 20% and 29%: A “troubling” 26%
- This year, 54 percent of organizations surveyed do not have a formal recruitment strategy and 71 percent do not have a formal recruitment budget....”
- *The Nonprofit Times and 80% of survey respondents indicate they **don't** have a formal talent retention strategy*

*<https://www.councilofnonprofits.org/survey-nonprofit-workforce-shortage>

The Benefit of Internal Development

- A study conducted by Wharton School of Business management professor Matthew Bidwell found that external hires:
 - Are paid nearly 20 percent more than internal hires for the same job
 - Have significantly lower performance evaluations in the first two years
 - Are 61 percent more likely than internal hires to be fired
 - Are 21 percent more likely than internal hires to quit

Quick poll #1

Our organization is highly effective in developing a strong pipeline of future leaders.



What is your agreement with this statement:

- Strongly agree
- Agree
- Somewhat disagree
- Strongly disagree

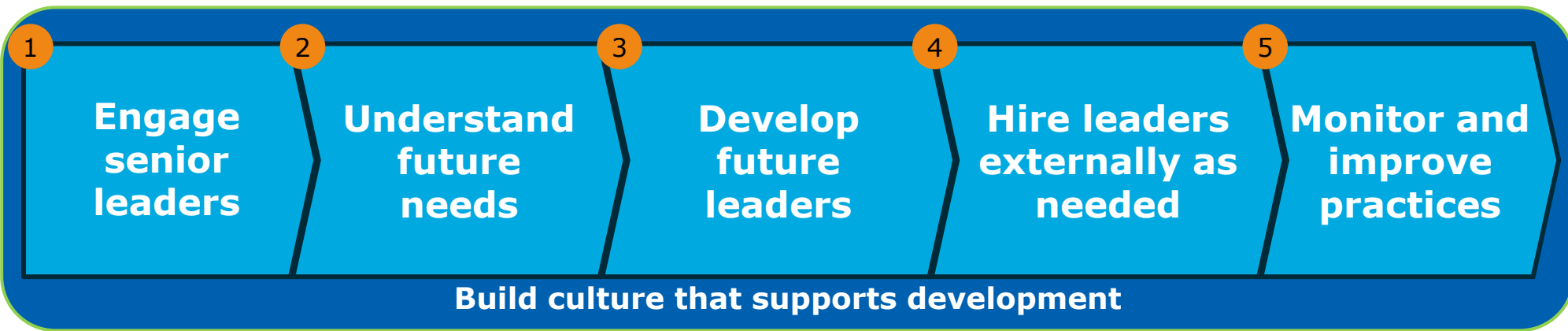
Quick poll #2



Compared to today, how different is the leadership capacity your organization will need to achieve impact in the future? (Consider leadership qualities and quantity.)

- A) Significantly different
- B) Somewhat different
- C) Largely the same

The path to effective leadership development consists of five processes



Engage Senior Leaders

- Make the business case for leadership development
- Set expectations for line managers and hold them accountable
- Build and develop the senior team
- Make the most of available HR resources
- Engage the board regularly

What are the common weaknesses?

1

Assess future needs



2

Assess Performance & Potential



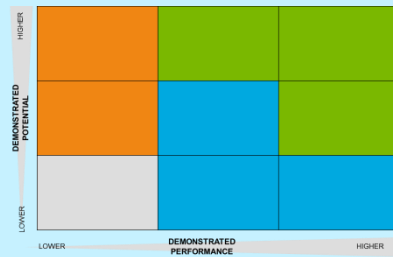
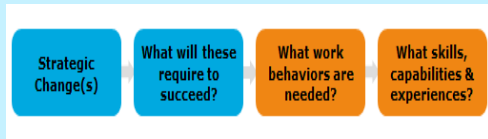
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Address individual development needs



4

Set goals, track, and ensure accountability



**Create a "Plan A":
Your future team**

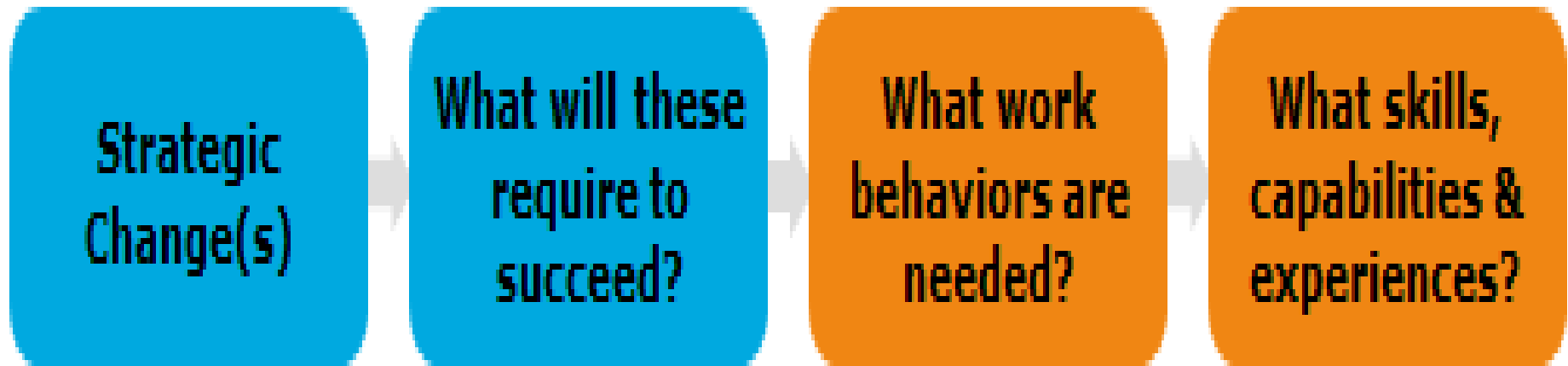


Build individual development plans based on 70/20/10 framework

Our Focus Today

GOAL	ACTION STEPS	OWNER	COMPLETE BY	METRIC(S)
All staff members have development plans	• Create development plan template and guidelines for managers and staff	• Human resources	• March 2013	• 100% of staff members have development plans
	• Conduct development plan training session for managers and staff	• Human resources	• April 2013	• 100% of staff members have development plans <1 month after performance review
	• Establish process for tracking development plans	• Human resources	• May 2013	• > 70% of staff and managers identify the plans have contributed to staff performance
	• Create development plans based on most recent performance review	• All managers & staff	• June 2013 (annual)	
	• Collect feedback from managers and staff about development plans to improve before next cycle	• Human resources	• March 2014 (annual)	
Improve staff mentoring program	• Conduct staff survey to gather feedback on current mentoring program	• Human resources	• April 2013	• Increase participation rate to 80%
	• Implement pilot improvement to program based on staff feedback	• Human resources	• December 2013	• Increase positive feedback rating to 75%
	• Gather feedback from pilot participants and decide which changes to make permanent	• Human resources	• January 2014	

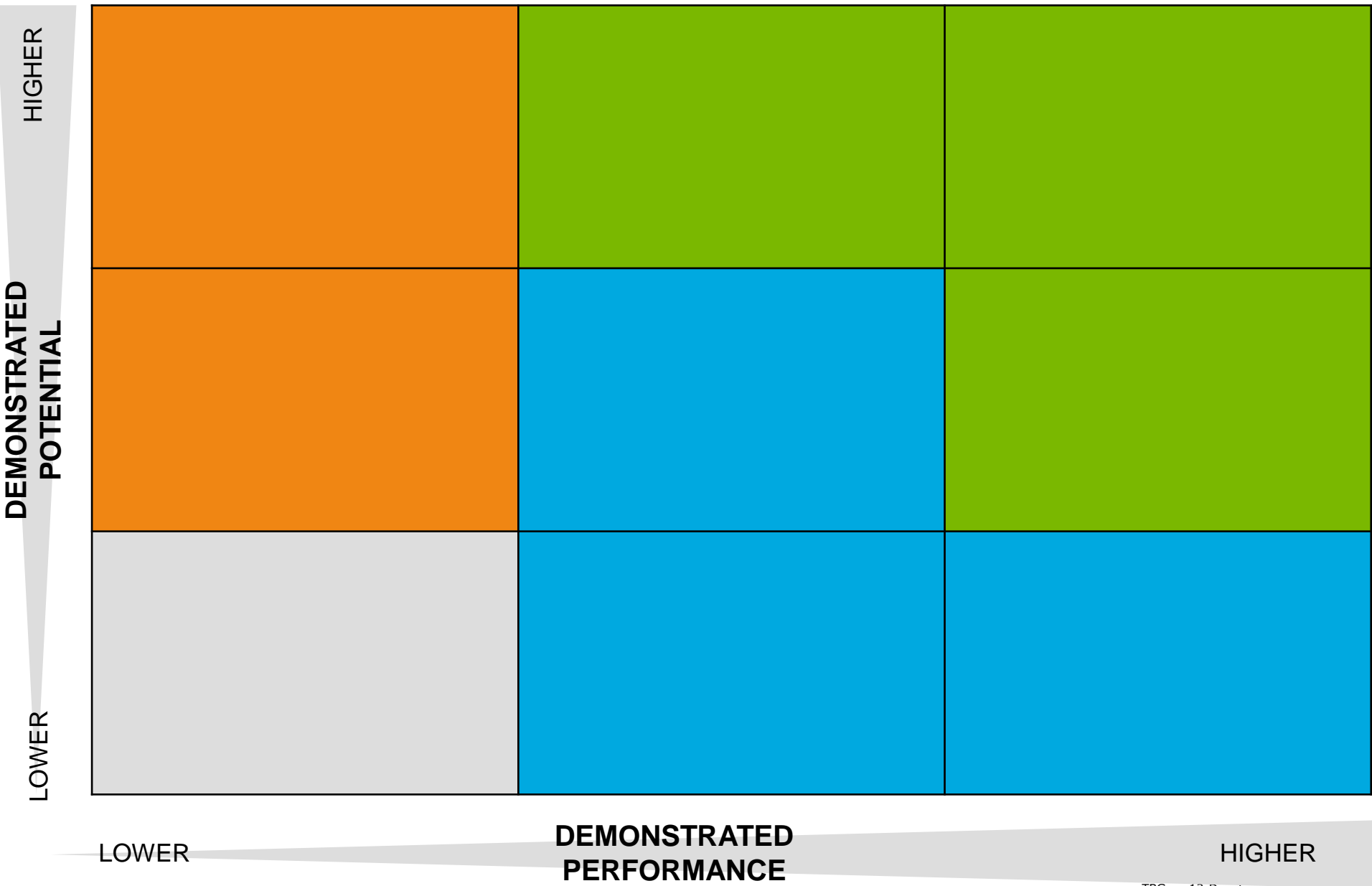
Assess Future Needs



Invest to Develop Future Leaders

- Create talent champions, managers who are effective and committed to leadership development
- Create a 70/20/10 mix of development opportunities (70% on-the-job stretch opportunities, 20% coaching/mentoring, 10% formal training)
- Co-create and follow through on individualized development plans

Assess your team using a performance/potential matrix...who are your A player(s)?

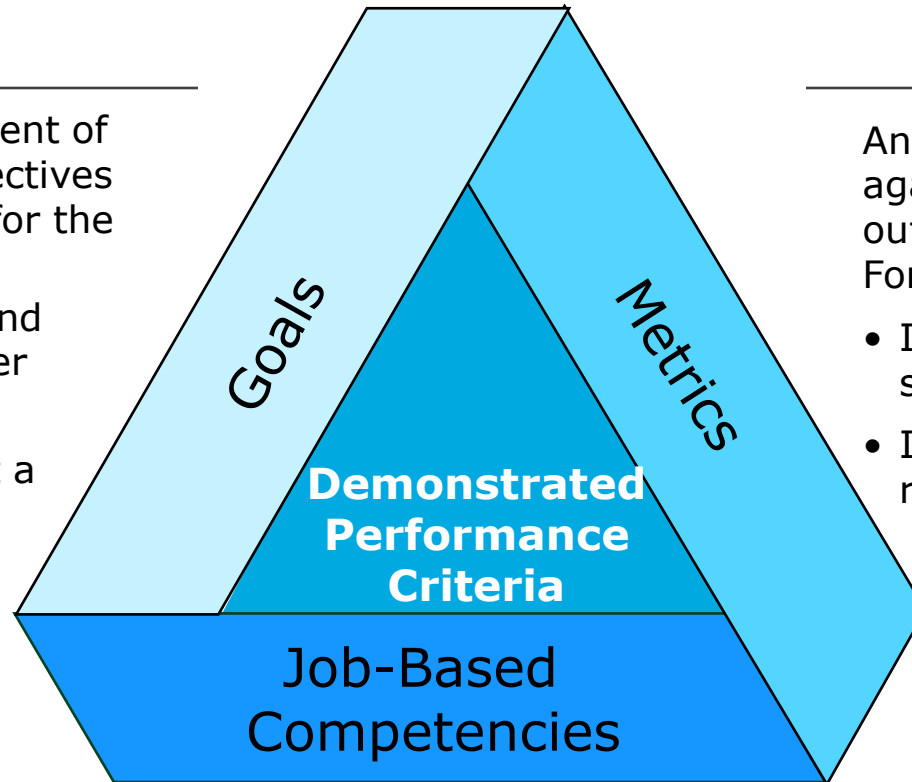


Demonstrated performance: How do you evaluate performance?

GOALS

An individual's achievement of the specific goals or objectives established for him/her for the year. For example:

- Successfully acquire and integrate a new partner organization
- Create and implement a new curriculum for an after school program



METRICS

An individual's performance against the specific service or output metrics of his/her role. For example:

- Increase in beneficiaries served by the program
- Increase in foundation grant revenue

JOB-BASED COMPETENCIES

The group of behaviors that demonstrate a set of job-specific skills, knowledge or traits. For example:

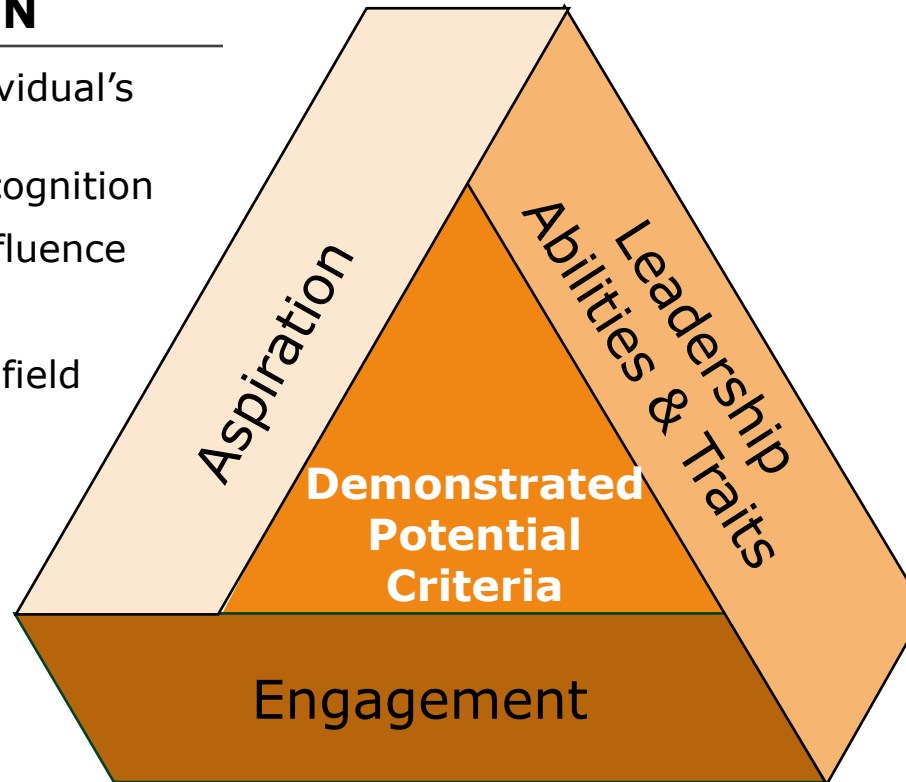
- Program data analysis
- Grant-writing
- Financial modeling

Demonstrated potential: What is your list of leadership potential criteria?

ASPIRATION

The intensity of an individual's desire for:

- Achievement and recognition
- Advancement and influence
- Work-life balance
- Desire to impact the field and community
- Willingness for self-improvement



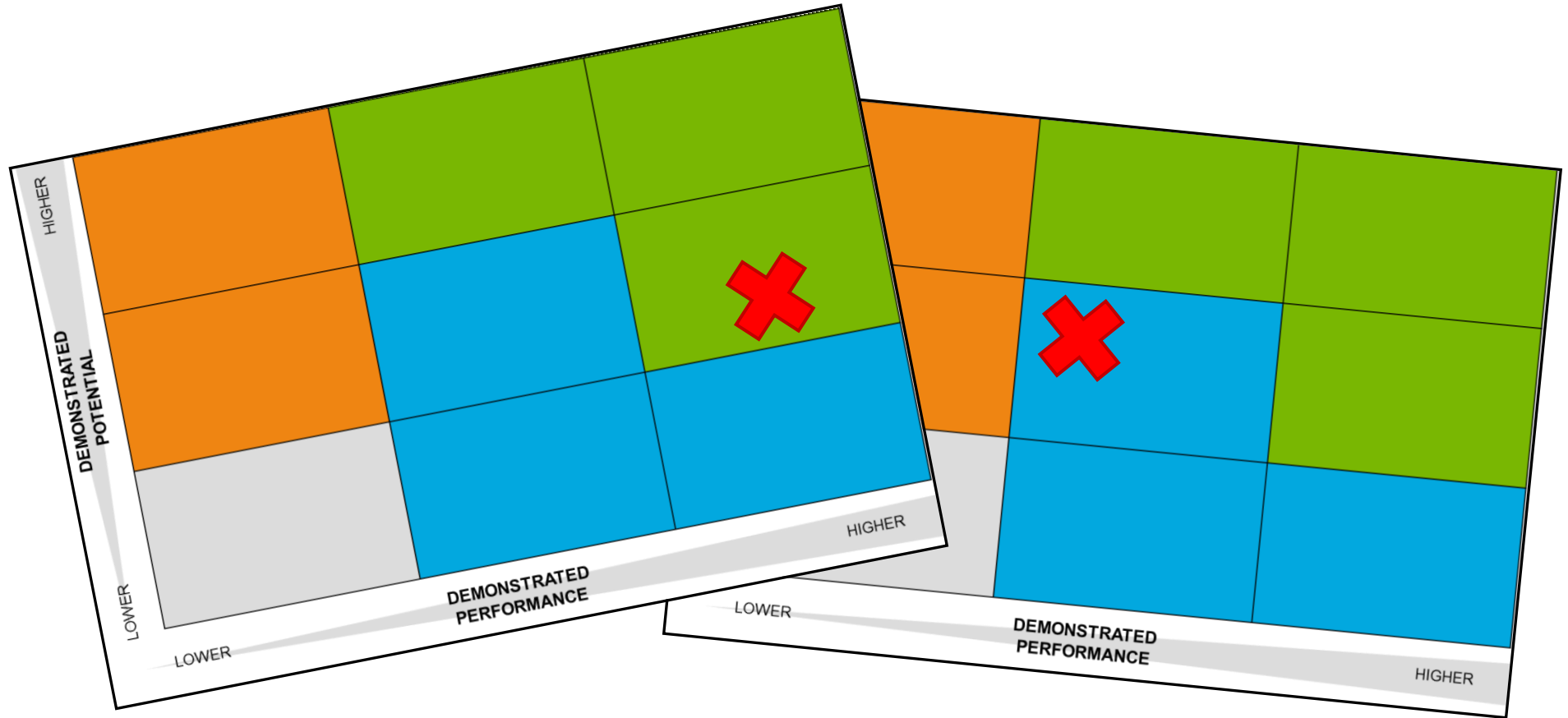
ENGAGEMENT

- Commitment to the organization's mission & values
- Commitment to their role
- Willingness to go "above and beyond"
- Willingness to remain with the organization
- Willingness to develop others

LEADERSHIP ABILITIES & TRAITS

- Strategic perspective
- Accountability
- Judgment & decision-making
- Solution focus and problem-solving
- Innovation and initiative
- Teamwork & collaboration
- Communication
- Building relationships & networking
- Data utilization
- Learning agility
- EQ and interpersonal skills
- Flexibility and resilience

Apply inside Your Organization – Discuss Candidates as a Leadership Team



- Find a partner from your organization
- Share where you placed your direct report
- Share your reasoning (using your worksheet)

Plan for Development - Identify 2-3 development goals for each of your direct reports (EXAMPLE)

NAME	DEVELOPMENT GOALS
Caren Carver	<ol style="list-style-type: none"><li data-bbox="641 393 1923 503">1. Building Relationships: Actively seek relationships outside the boundaries of the program site. Increase understanding and practice using communication to support and enhance existing relationships.<li data-bbox="641 523 1923 671">2. Talent Management: Think of performance issues as preventable. Assume people do not know something unless it has been directly addressed with them and discover ways to tactically invest in staff learning before deficits expose themselves.
Reginald Starr	<ol style="list-style-type: none"><li data-bbox="641 696 1902 769">1. Communication: Prioritize the message to the specific needs of the audience.<li data-bbox="641 790 1902 900">2. Judgment and Decision Making: Increase use of investigation to understand problems. Prior to making decisions, examine whether the motivation is clarity about the problem or an emotional impetus.<li data-bbox="641 920 1902 1067">3. Talent Management: Continue to improve ability to manage discomfort when giving direct feedback. Notice when holding back important corrections, feedback, or transparent investigations of the quality of practice.
Marcus Day	<ol style="list-style-type: none"><li data-bbox="641 1092 1923 1202">1. Accountability: Examine your system for establishing priorities and time management. Increase ability to endure lack of involvement in direct practice in order to fulfill the duties of a Director.<li data-bbox="641 1223 1923 1332">2. Judgment and Decision Making: Resist the impulse to react to solutions before examining the root cause of the problem. Make sure to identify options before asking for your director's input.<li data-bbox="641 1353 1923 1428">3. Interpersonal Agility: Develop a greater awareness of own communication style and impact on others.....

Things to consider when using a performance/potential matrix as a team

Benefits

- Develops shared understanding of excellence
- Helps identify common development needs
- Guides allocation of special assignments and senior coaching/mentoring (a scarce resource!)
- Creates shared accountability for acting on development needs

Watchouts

- Essential to establish clear criteria defining performance and potential
- Requires regular conversation with employees about aspirations and commitment, as well as ability and performance
- Must decide if and how to communicate assessments of potential with staff

How do we develop the leaders we will need?



Reflecting on your own career, what experience has been most powerful in your growth as a leader?

What the research shows

70 / 20 / 10

On the
job

Coaching
& mentoring

Formal
training

Activity: Identify potential development actions for your direct report

Development Plan			
<i>Skill to develop</i>	<i>Experience-based assignment (70%)</i>	<i>Who will you ask to help, and how? (20%)</i>	<i>Formal training & self-study (10%)</i>
	1.	1.	1.
	2.	2.	
	3.		

We recommend that each of you think about your own department's "Plan A"

Key Role	2014	2015	2016	Comment
Executive Director	Jane Michaels	Jane Michaels	Jane Michaels	No change
Program Director	George Mendoza	George Mendoza	George Mendoza	George should take on more ops-oriented roles for 2 years; if he delivers, role may evolve to " Sr. Program Director " and may be Jane's potential successor.
Program Director	Sarah Miller	Sarah Miller	Sarah Miller	No change in title but potential to lead more innovative initiatives while we scale
Chief Development Officer	Tom Smith	Cynthia Reed	Cynthia Reed	Cynthia should build skills with foundation donors and implement a dashboard this year; if she delivers, she could move into the CDO role when Tom retires
Chief Financial Officer	<i>To be hired in 2014</i>	<i>To be hired in 2014</i>	<i>To be hired in 2014</i>	TBD – This will likely be an external hire, due to the junior finance bench

Discussion – What is working for You????

Goals: The ROI of leadership development is about achieving “more mission with existing resources”



Set goals that link to “return on mission”

- Improve retention of high performers from x to y
 - Increase productivity
 - Lower cost/time of outside searches
- X percentage of positions filled by internal candidates
 - Reduces hiring costs and start-up productivity loss
 - Reduces failure rate
- Increase average span of control of middle managers from x to 1.5x
 - Reduces overall management costs as % of total (frees up resources for mission)

Case Study: ROI of Investing in Leadership Development

Sindy Howery

Director of Human Resources, Inspiritus

Q&A

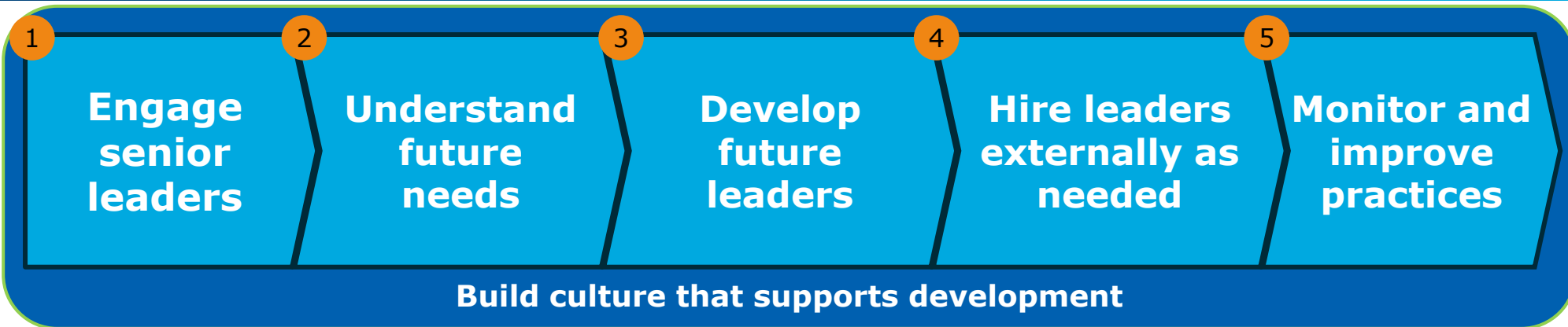
Hire Leaders Externally As Needed

- Define key position requirements, trade-offs you are willing to make
- Create opportunities for both the organization and the candidate to assess whether the candidate is a good fit for the role and for the organization
- Design an on-boarding process that supports the new hire's capabilities and relationship development

Thank You

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Effective leadership development requires execution of five linked processes



- Make the business case for leadership development
- Set expectations for line managers and hold them accountable
- Build and develop the senior team
- Make the most of available HR resources
- Engage the board regularly

- Define the critical leadership capacities required to achieve the organization's goals in the next three to five years
- Assess the potential of current staff to take on greater responsibility
- Establish a three-year plan for critical positions by identifying candidates for future openings

- Create talent champions, managers who are effective and committed to leadership development
- Create a 70/20/10 mix of development opportunities (70% on-the-job stretch opportunities, 20% coaching/mentoring, 10% formal training)
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- Define key position requirements, trade-offs you are willing to make
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- Establish clear goals to guide leadership development efforts
- Collect data to evaluate progress
- Establish checkpoints to monitor progress
- Refine practices based on results and any changes to strategic goals