

Section IV: Building the Bench of Homegrown Leaders

NGO challenges around leadership development point to one critical call for action: grooming leaders from within. Building a bench of leaders could be a cost-effective path to address multiple underlying issues: reducing the NGOs' need to spend precious time and money on recruiting externally for senior roles, building a strong second line of leaders to ease transitions, and improving retention by offering explicit development opportunities to leaders.

Elizabeth and Sunil Mehta, the co-founders of Muktangan—an education NGO working in Mumbai—realized this the hard way. As they contemplated stepping down, they repeatedly sought to bring in a new CEO. Over the course of a few short years, they externally recruited three talented leaders, but the newly appointed chief executives struggled to transition. Fundamental misalignments around the organization's core values and objectives led to the leaders' amicable but necessary departures.

In parallel, the founders had set up an executive team comprised of promising members who had been in the organization for years and had proven themselves in their respective domains. The team includes leaders of Muktangan's teacher education, administration and liaison, finance, and program areas.

The executive team may have limited management expertise, but unlike the external recruits, the team knows the organization well. Given their institutional knowledge, Elizabeth Mehta explains, “we are working with them on a journey of reflection, mentoring them in-house, supporting them.” And the couple has identified one team member who, with this guidance, will ultimately lead Muktangan into its next phase.

To address leadership challenges faced by NGOs such as Muktangan, we have identified “Four Practices” that are crucial for developing homegrown leaders (see [Figure 4.1](#)). The practices combine findings from this study with a large body of our work, including Bridgespan's US-focused toolkit, *Nonprofit Leadership Development: What's Your “Plan A” for Growing Future Leaders?*

Since every organization's challenges and opportunities vary, we have avoided laying out a blueprint to follow. Rather, these practices are intended as guideposts for NGOs as they navigate their own journeys through leadership development. Experience also shows that organizations can integrate these processes into their routine operations in a surprisingly inexpensive manner.

Figure 4.1: Four Practices to develop leaders from within



Build out a supportive culture and organization

It takes committed leaders to establish a culture and organization conducive to building the next generation of leaders. It starts with putting a premium on learning and development. Building such a supportive culture involves:

- **Starting at the top:** Senior leaders must start by demonstrating their commitment. These leaders can walk the talk by making themselves accountable for developing themselves and others. The ideal is for leaders at every level to champion the development of their next line of succession.

“If the culture is not one of wanting to learn and improve individually, and the performance-management system does not provide incentives for that, then it does not matter what training and coaching you provide,” says Aditya Natraj, chief executive of Kaivalya Education Foundation.

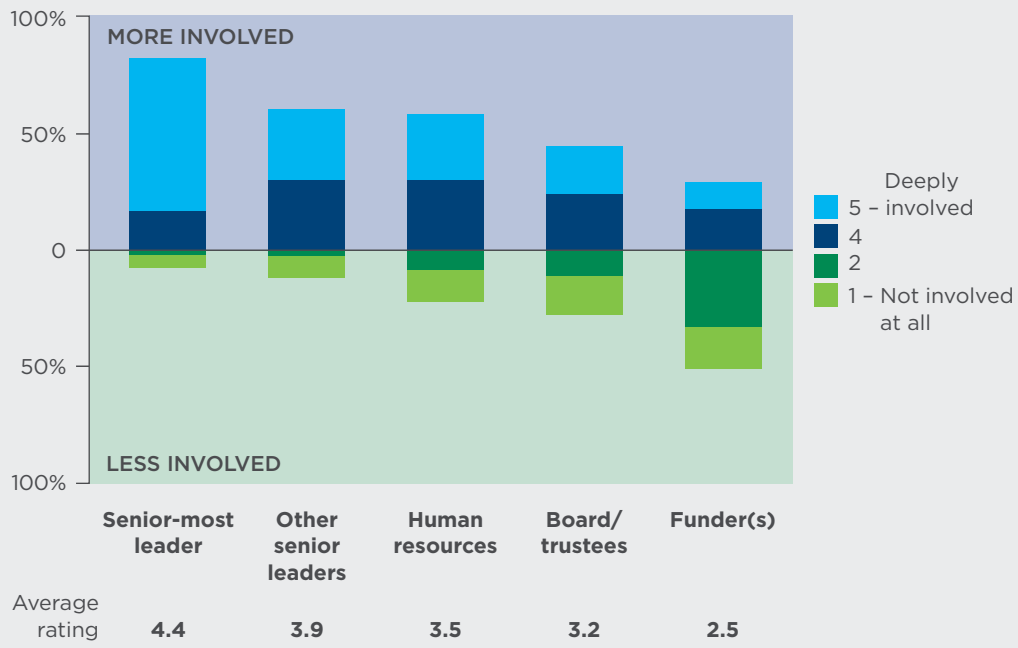
Natraj embodies this approach by first investing time and effort in his own development. He works with a personal coach, partners with an organizational development consultant, and has enlisted a peer group to observe and challenge his leadership style and provide support. He also spends approximately 40 percent of his time working on internal leadership development, a role that includes supporting the second line on improving performance as well as dedicating attention to the development needs of the third and fourth lines. His focus is “developing leaders who can develop leaders.”

The performance-management systems at Kaivalya ensure that the organization’s leaders are accountable for developing others. Thus, promotions are not solely based on an individual’s ability to successfully execute Kaivalya’s programs. As Natraj observes, “those who perform best are not necessarily the best at developing others.” Individuals must also excel at building out the organization’s capabilities and developing people with leadership potential. Though a significant departure from traditional performance-review processes, such promotions help the organization embed leadership development into its culture.

- **Engaging the board:** The board of directors is responsible for steering the NGO toward its vision and goals, in part by helping mobilize resources and cultivate leadership talent. However, only 44 percent of the NGOs surveyed say that their boards are involved in leadership development (see Figure 4.2).

Figure 4.2: Senior-most leaders are highly involved in leadership development; however, the boards and funders of many NGOs are not

Leaders had to select, on a scale of 1 to 5, how involved the given people were in leadership development at their organizations ($n=203$)



Note: Leaders could select “n/a” if rating a given option was not applicable; these responses have been excluded from the analysis. Neutral ratings (3) have not been shown in the chart.

In an ideal scenario, an NGO's senior leaders regularly engage the board on leadership development, particularly for needs assessments and succession planning. In turn, the board holds the leadership team accountable for putting succession plans in place and implementing other practices for developing leaders. The board might also counsel the leadership team and, where possible, provide guidance on establishing HR systems and processes.

- **Allocating resources:** High-performing NGOs allocate dedicated physical and financial resources for developing leaders. Although nearly every NGO is stretched for resources, “ring-fenced” allocations signal that the top executives are committed to developing homegrown leaders. Allocations can take different forms. They can cover instituting talent processes and systems, creating a separate budget for development activities, or dedicating a portion of staff time to work on personal development.

NGOs can also proactively request support from funders in the form of unrestricted funding or dedicated line items within program grants. Smile Foundation takes this approach with some of its long-standing corporate funders. (See the [Case Study on page 41](#).)

- **Organizing for empowerment and learning:** Senior leaders at high-performing NGOs periodically evaluate the organization's structure and processes, with a view to embedding opportunities for learning and development in their routine operations. This effort can take various forms, including:
 - Expanding the leadership team beyond a few individuals
 - Creating two- to four-member committees for joint decision making on specific topics
 - Delegating operational authority, such as designing and recommending budget allocations, to the program leads
 - Revising operational processes to ensure more involvement from the second line, such as having them lead team meetings
 - Creating initiatives to facilitate cross-functional learning

The Centre for Catalyzing Change (C3), an NGO that helps women and girls achieve equality, created approval groups and committees, such as for procurement and vendor approval or loan approvals, to move decision making beyond the senior leadership team. These groups include representatives from all levels and make most operational decisions. The senior team steps in only when there is a need. As a result, people at various levels are not only equipped but empowered to test and build their leadership skills.

Of course, there are other ways to make leadership development everyone's job. In the following case study, consider how Smile Foundation's decentralized leadership model and peer-to-peer learning have helped it empower talent throughout the organization.

Case Study—Smile Foundation: Grassroots Leadership

Organization: Launched in New Delhi in 2002, Smile Foundation works for the welfare of 400,000 children and their families across villages and urban slums in 25 Indian states. Smile Foundation takes a holistic approach toward catalyzing change by focusing on child education, family healthcare, employment enhancement, and women’s empowerment. The nonprofit utilizes a Social Venture Philanthropy model, by building the capacities of community-based organizations, and also acts directly, through 200 projects, to improve children’s lives.

Strategies for Building Effective Leaders

Decentralized leadership. One of Smile Foundation’s initiatives, “Empowering Grassroots,” in part aims to build leadership capacity in community-based organizations working in villages and slums. Smile Foundation’s own model also seeks to empower employees at every level by distributing decision making throughout the organization. Decision-making authority often rests with the regional director, manager, or team that is closest to the issue. Because decision making is pushed to the front lines, more people build skills through real-world experience. “Leadership is not associated with position and power,” says Amit Prakash, senior manager of research and programme development. “Anybody can play that role—there is a lot of autonomy.”

Peer-to-peer learning. Smile Foundation encourages senior managers and people with particular skill sets to informally mentor junior staff and stakeholders. At the same time, the organization has specific mechanisms for people to build skills together. They include:

- **Blended learning:** With support from the Dutch organization Wilde Ganzen (Wild Geese Foundation), Smile Foundation participates in an initiative called Change the Game Academy, which combines online courses and face-to-face coaching on project management, communication, and local fundraising.
- **Cooperative learning:** Senior managers like Partha Pratim Rudra, director of programme and programme development, participate in external programs such as the Aspire Circle Fellowship, which provides an opportunity for social sector leaders to meet for short retreats. The goal: learn together and network.
- **Internal learning:** Groups within Smile Foundation, such as the Project Approval Committee, give emerging leaders the opportunity to step outside their daily responsibilities and think about the entire organization. “It’s quite a mind-stimulating exercise,” says Swatantra Gupta, general manager of corporate partnerships and alliances. “We get to look at the organization from many different angles.”

- **Conference learning:** Smile Foundation offers people the opportunity to sharpen their communication skills by attending conferences. “By participating in debates and panels, you get to assess yourself—and your organization—against what’s happening in the development sector,” says Gupta.

These effective practices could be reinforced if Smile Foundation did not have to endure the chronic problem confronting nearly every NGO: the lack of dedicated funds to build leadership capacity. Aside from Wilde Ganzen, Smile Foundation has found it difficult to tap into other funding streams for building better leaders.

“Corporates are always interested in giving money that goes directly to the beneficiaries,” says Gupta. “Particularly in India, it is very challenging to raise money for capacity building and training. By and large, they are not able to appreciate how important this is to sustaining the organization and its initiatives.” However, Smile Foundation still includes capacity building as a line item in their proposed budgets to the corporates, which “keeps the conversation going.”

Next Steps: Recently, Smile Foundation rolled out its 2017-18 work plan, which seeks to build employees’ ability to innovate and lead. The strategic planning is aimed at consolidating and scaling the organization’s current efforts, paving the way to greater impact.

As part of that effort, Smile Foundation will put in place long-term succession plans for its current leaders (even though it is not anticipated that any will soon exit)—beginning with Chief Operating Officer Sanjeev Dham, who is writing his own plan. “It has already been agreed that I will leave in three to five years,” says Dham. “My first criteria for the new leader: flexibility. This environment is changing very fast. Will that person be flexible enough to adapt to all the changes?”

Map leadership development needs

Leadership investments are most effective when they address the gaps between the organization’s current skill base and future requirements. Identifying these investments includes:

- **Defining future leadership requirements:** The senior leaders of high-performing NGOs first define the organization’s goals and then determine the leadership skills they will need to achieve them. These skills may relate to any of the leadership competencies: individual, organization, functional, or technical/sector-specific. For example, an NGO that is shifting to a technology-based delivery approach may require a deeply experienced chief technology officer.

It is best practice for an NGO to set out its leadership requirements periodically—either annually or every few years, and whenever there is a significant change in strategy. Bridgespan research shows that “when nonprofits fail to go deep enough when linking changes in strategy or business model to leadership, they struggle to define the specific activities and assignments that will instill the necessary attributes in their future leaders.”¹⁵

Jeevan Stem Cell Foundation¹⁶ carries out its needs assessment annually, through an organization-wide survey. This helps the NGO identify and develop skills that it will require for two distinct verticals: management and operations.

- **Identifying leadership gaps and development priorities:** Accomplished NGOs systematically evaluate the performance *and* the potential of each senior leader, as well as their next line, against the organization’s defined goals and requirements. The objective is to identify and prioritize missing competencies and define a leadership plan to address them, whether by developing homegrown leaders or recruiting. Mapping leadership gaps helps NGOs invest in nurturing high-potential internal candidates for senior positions and prepare better for any transitions.

The review and evaluation of leadership can be a fundamental part of an organization’s annual (or semi-annual) performance-management process. These assessments ideally identify two to three development objectives or areas of focus. The process can include self-assessments, 360-degree feedback (from supervisors, supervisees, peers, board members, or funders) and, if valuable, calibration of a potential leader’s performance against a peer group.

Provide development opportunities

Once an organization-wide leadership plan is defined, NGOs can roll out a set of development opportunities, especially tailored for people with promise. This includes:

- **Defining development opportunities:** Based on the most significant competency gaps at the organization level, NGOs should define a set of development opportunities. NGOs can carve out roles for individuals in *existing* processes and initiatives (such as leading important meetings and contributing in board presentations) and create *new* opportunities as needed (for example, special projects, committees, mentorship, and trainings).

For example, if verbal communication is a common skill gap, an NGO might provide promising leaders with opportunities to present at regular meetings or receive coaching from communication specialists. The NGO can seek guidance from the board or external experts, as needed.

15 Kirk Kramer and Preeta Nayak, *Nonprofit Leadership Development: What’s Your ‘Plan A’ for Growing Future Leaders?*, The Bridgespan Group, pg. 58.

16 Jeevan Stem Cell Foundation (formerly Jeevan Blood Bank and Research Centre), through its “Be the Cure Registry,” provides access to stem cells for lifesaving treatment to patients suffering from blood cancers and Thalassemia.

- **Co-creating individual development plans, focused on the 70-20-10 model:** In developing a strong leadership team, supervisors need to work collaboratively with individuals to identify development opportunities that map to each of their competency needs and help attain their professional objectives and goals. The plans can set out key milestones and ways to track progress.

At the Centre for Catalyzing Change, supervisors work with direct reports to identify four to five objectives for the coming year. Leaders then create appropriate learning opportunities within and beyond individuals' functional roles. For example, an individual might visit a program in another region or participate in conferences in lieu of senior leaders.

The 70-20-10 learning model can be an effective guide for an NGO's development plans, ensuring that on-the-job stretch opportunities are balanced with coaching and mentoring and formal training (see below for detail).

70-20-10 Learning Model

The Center for Creative Leadership (CCL) conceived the 70-20-10 learning model, testing it through decades of research into how people learn to lead.¹⁷ The model outlines how development occurs through a mix of: on-the-job learning through stretch opportunities (roughly 70 percent); learning through others via coaching and mentoring (20 percent); and learning through coursework and classroom training (10 percent).

In the 70 percent category, pushing individuals to take on new experiences fosters learning. Such stretch opportunities can include leading programs, managing multiple stakeholders, or fundraising. To support this approach, supervisors can identify assignments that are matched to individuals' development needs and interests.

In the 20 percent of learning gained through others, supervisors, senior leaders, external advisers, and even peers can support individuals by providing real-time coaching and one-on-one mentoring. This interactive approach to knowledge sharing helps people learn and receive feedback.

Traditional coursework and classroom training contributes around 10 percent to a leader's development. According to CCL, when this learning is well-designed, it can have an "amplifier effect," supporting and boosting the other 90 percent of a leader's learning.

For example, formal training can help an organization establish a shared knowledge base and common leadership vision. The amplifier effect is most critical at the senior leadership levels, and is the reason many NGOs look to external leadership development programs to fulfill their 10 percent quota.

¹⁷ "The 70-20-10 Rule," Center for Creative Leadership, <https://www.ccl.org/articles/leading-effectively-articles/the-70-20-10-rule/>.

Yet there is a dearth of such leadership programs in India (see [Special Section](#) for detail).

Blending the three categories of the model improves its effectiveness. American Express found that the benefits of formal leadership training are multiplied when supervisors set goals and expectations with participants before the training begins, and then follow up to discuss what was learned and reward improvements over time.¹⁸

To enhance impact, NGOs can also seek to create linkages among the three categories when applying the 70-20-10 model to development plans.

The NGO Make A Difference provides a range of opportunities that are akin to the 70-20-10 model, to help managers learn through experience and coursework. (See the [Case Study on page 46](#) for detail.)

Set goals and monitor progress

NGOs must monitor leadership development efforts at the organization and individual levels in order to understand what is working, what is not, and what course corrections need to be taken. This includes:

- **Tracking implementation against development plans:** Individuals, through discussions with their supervisors, can evaluate their progress at least annually against the milestones and outcomes set out in their development plans. Based on the performance review, leaders can map how to better support individuals in meeting their development objectives.

Dream a Dream uses self-reflection as a tool to monitor performance. Each year, people think back on their previous goals and agreements, seeking input from peers or managers. They then determine whether they have gained the skills and capacity to move up to the organization's next level, and whether they are ready to take on more responsibility. The resulting "reflection document" is shared with a voluntary HR group, which provides feedback, but not a decision. It is ultimately up to the individual to make the final call. Says CEO Vishal Talreja: "This makes everyone's professional development a serious, individually-decided journey."

- **Monitoring progress against organization goals:** At the organization level, leaders need to monitor progress against a defined set of leadership development goals. To start, they can focus on *action-oriented* goals, such as ensuring that every leader has a development plan, defining succession plans, or establishing a suitable performance appraisal process.

¹⁸ American Express Corp., "The Real ROI of Leadership Development: Comparing Classroom vs. Online vs. Blended Delivery."

However, in the longer-term, NGOs need to monitor progress against *results-oriented* goals: for example, experiencing a smooth succession when the senior-most leader leaves, ensuring that internal candidates fill x percent of the organization's leadership positions, or reducing undesirable attrition among managers by y percent. Clear metrics, with well-defined milestones, enable NGOs to evaluate their progress against critical leadership challenges and ensure accountability to the board and funders.

Case Study—Make A Difference: Making Leadership Development an Everyday Habit

Organization: Launched in 2006, Make A Difference (MAD) mobilizes 4,250 young leaders to seek better outcomes for roughly 3,400 children annually in shelter homes that extend across 23 cities. MAD's holistic range of interventions includes academic support, life skills, emotional health, transition readiness, and aftercare. The NGO is building a developmental methodology that seeks to break the cycle of poverty and abandonment for any child who is forced into state or institutional care.

Strategies for Building Effective Leaders

Share responsibilities for leading. MAD transitioned to a dual leadership model in 2014, when Rizwan Tayabali, who had been acting as an adviser, joined founder Jithin Nedumala as co-CEO. "One of my conditions for joining [MAD] was that we should have multiple CEOs," says Tayabali, who saw the need to ensure continuity and foster a culture of collaboration at all levels.

Tayabali and Nedumala lead a "Strategic Operations" team, which frames the organization's direction and safeguards its values. The team's reach extends to the organization's front lines, where "City Team Leads" play a similar role in upholding the vision and fostering collaboration. The two CEOs blend responsibilities, with each taking on the bulk of work that leverages their individual strengths while sharing other efforts, such as team building, setting strategy, and ensuring impact. Their collaborative approach, says Tayabali, "sets the tone for people working at all the other levels."

Empower the second line. MAD's second level is comprised of directors (akin to division heads) who serve as the core decision making team and mentors for the next level, regional managers. Directors are expected to think like chief executives and regional managers are encouraged to think like directors. The logic: get people to look beyond their functional roles and take on more responsibility for the organization's outcomes. For example, managing revenue streams is not just the finance team's problem. "All of us," says Tayabali, "are responsible for money in and money out."

Create explicit rituals for helping directors grow their leadership skills.

These practices include:

- **Competency planning session:** Once a year, directors meet individually with Tayabali to discuss their life goals and long-term aspirations for contributing to the social sector, even after they move on from MAD. They then work backward to determine what skills and experiences the directors can gain at MAD to bring their dreams to life. This process also enables MAD and the directors to plan future role transitions.
- **Competency day:** Once a quarter, MAD sets aside a single day during which each director gives a TEDx-style talk on topics such as how children learn or care practices in shelters that is live-streamed via Facebook to the entire organization. The benefit is double-sided: directors build subject-matter expertise while the organization expands its collective knowledge on relevant issues.
- **Growth conversations:** Every quarter or so, directors meet with one of the chief executives to discuss their progress and their struggles, and plan any support they need moving forward. These conversations, which have replaced personal performance reviews, promote a positive, supportive culture and are replicated throughout all levels of the organization.
- **Culture meet:** Every Thursday at 5 p.m., all the directors engage in group activities to address one of four key areas in a rolling cycle: building competencies through shared learning, bonding as a team, reflecting on personal goals, or advancing the organization's culture.
- **External learning:** Once a year, MAD brings in external partners to hold a two-day workshop on personal development for directors. As funding for external learning is limited, the organization instead frees up dedicated time for people who want to pursue skill-building courses on platforms like Coursera or +Acumen, all the way up to multiyear, part-time MBA programs. In return, people share what they have learned with the rest of the organization, which reinforces a culture of continuous development.

Impact & Next Steps: The shift toward explicitly sharing leadership and empowering the second line has not been easy, but MAD is already seeing benefits in the form of more efficient decision making and clearer alignment around organizational goals. Tayabali and Nedumala are pushing leadership development practices further out into the organization to regional and city managers and even to the sprawling network of young leaders.

Building more than 4,000 front-line leaders is a sizable challenge. But at MAD, they believe it is also an imperative, if the organization is to truly make a difference in the lives of children in care. Says Sneheel Biswal, director of communications, campaigns, and outreach: “Decentralizing [MAD’s leadership] will be hard, but we need to be adaptive at the level of the child, and it is where we need to go.”