

What Makes for an Effective Leadership Development Program?

By Kirk Kramer and Julia Tao

“Leadership and learning are indispensable to each other.”-President John F. Kennedy

A strong nonprofit sector requires strong nonprofit leaders—and enough of them to meet a looming leadership deficit. Indeed, Bridgespan research in 2006¹ indicated the nonprofit sector would need to add 640,000 new senior leaders—the equivalent of 2.4 times the number employed at that time—by 2016.

Today, leadership development and succession planning remain top organizational challenges for most nonprofits. Unfortunately, not enough has been done to evaluate what *types* of investment can have an impact on the development of nonprofit leaders. In its seminal report on the topic², the W. K. Kellogg Foundation concluded “there are still no known well-developed theories of leadership development that are grounded in what is being learned through program evaluation.”

Nonetheless, there are some signs of progress. Earlier this year, The Bridgespan Group had the opportunity to conduct an independent assessment of the nation’s largest philanthropic leadership program—Neighborhood Builders®, operated by the Bank of America Charitable Foundation. Our findings suggest that the Neighborhood Builders’ approach holds useful insights for other nonprofit leaders who are striving to strengthen their own approach to leadership development—and for the funders supporting them.

The Neighborhood Builders Program

Now in its eighth year, Neighborhood Builders combines several unique aspects: selecting “high performing” community-based organizations through local committees of leaders, pairing leadership training with a meaningful unrestricted grant (\$200,000), training both the executive director (ED) and an emerging leader (EL), and fostering relationships within a network that has grown to 1,200 nonprofit leaders.

¹ Thomas J. Tierney, “The Nonprofit Sector’s Leadership Deficit,” The Bridgespan Group, March 2006. <http://www.bridgespan.org/nonprofit-leadership-deficit.aspx?resource=Articles>.

² W. K. Kellogg Foundation, “Evaluating Outcomes and Impacts: A Scan of 55 Leadership Development Programs,” 2002. <http://www.wkcf.org/knowledge-center/resources/2006/08/Evaluating-Outcomes-And-Impacts-A-Scan-Of-55-Leadership-Development-Programs.aspx>.

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Our research suggests that the initiative contributes to improved organization performance on a number of fronts. For example, participants reported that the program helped their respective organizations achieve their goals (88 percent), increase or enhance program impact (92 percent), increase financial sustainability (80 percent), and drive innovation (80 percent). Additionally, despite recent tough times since 2008 for many nonprofits, all but one of the more than 600 organizations that have gone through the program remain in operation. And importantly, 85 percent of the leaders we surveyed said the program improved their leadership capacity. One ED told us, “There was this whole world out there of nonprofit management practices ... We were the quintessential mom and pop grassroots organization, and now we are on a different playing field.”

The gains are especially pronounced for ELs, a group that is critical to the sector’s future, but one that few other leadership programs target. As one EL reported. “[Participating in the program] helped me see that I was not the only one who struggled with leadership challenges ... the program helped me acknowledge and accept that I was a leader.” (To learn more about the assessment and specific gains ED and ELs have experienced, please see the report “Assessment of Bank of America Charitable Foundation’ Neighborhood Builders Program.” [LINK TO REPORT LANDING PAGE ON BRIDGESTAR.ORG]

Key Insights for Current Executive Directors, for Next Generation Leaders, and for Funders

As President John F. Kennedy observed, “Leadership and learning are indispensable to each other.” And if there is a single, overarching insight from the experience of Neighborhood Builders’ participants, that’s it. Effective leadership development programs appear to have the potential to provide nonprofit leaders with just such “indispensable” learning—better preparing current nonprofit executives to meet and master a wide array of strategic challenges, and also helping ensure that emerging leaders are ready to step into some of the sector’s toughest jobs.

But the experience of Neighborhood Builder participants has also yielded useful advice that is specific to EDs, ELs, and funders:

For EDs:

- *Take the time you need to hone your own skills:* As a leader, time is one of your most precious resources, and any leadership development program worth its salt is going to take some serious time. Neighborhood Builders asks EDs to attend two workshops during the year (each three days long) and ELs to attend three workshops. For the great majority of those we surveyed, the investment was worth it. As one ED who had gone through the training said, “The ability to get

away from the day-to-day demands of running a nonprofit organization and to focus on leadership with colleagues, using top-notch trainers, is a gift that you can't put a price tag on."

- *Learn from peers:* The opportunity to meet and interact with peers turned out to be one of the program's greatest benefits. Two-thirds of those we surveyed reported gaining enduring relationships from the program. As Stephanie Berkowitz of the Center for Teen Empowerment in Boston told us: "The best and most important aspect of the workshops was having the dedicated time and the peer group of 'non-competing' organization representatives from all over the country with [whom] to think deeply about nonprofit management and leadership issues." Each of these community-based leaders reached on average 22 other community organizations through board service and mentoring.
- *Look for outside support to fund leadership development:* Look for funders in your community who make capacity-building grants and use resources like this report and other research to make a case for leadership-development funding for your organization. But even if you do not receive funding for external training, don't lose heart. Keep in mind that there are significant opportunities for development *within* your organization. There are a variety of on-the-job opportunities that you and your staff should seek out to develop critical competencies. (The articles "On-the-Job Development Opportunities for Nonprofit Staff" [LINK: <http://www.bridgestar.org/Library/OnTheJobDevelopmentOpportunities.aspx>] and "52 Free Development Opportunities for Nonprofit Staff" [LINK: <http://www.bridgestar.org/Library/52DevelopmentOpportunities.aspx>] describe a range of options).
- *Train both EDs and ELs together.* Both EDs and ELs reported tremendous value in going through the program together, particularly the opportunity to align on vision, strategy, and priorities. As the ED of a Chicago nonprofit explained, "The training that we received helped us think differently about who we were and who we could be, in a short time. That was the transformative experience that we got out of the training ... the catalyst for changing how we thought about ourselves and our community." Perhaps not coincidentally, that organization had gone from a staff of eight and a budget of \$400,000 at the time it received the grant, to 27 full-time and 120 part-time staff, and a \$3.5-million budget five years later.

For ELs:

- *Invest now:* One EL went through the program at what turned out to be an important moment of transition for his organization. The Puente Learning Center, which provides free classes and training to Los Angeles communities with high unemployment and poverty, was selected as a Neighborhood Builder organization just as its founder retired. As a result of peer encouragement at the training, the EL, Luis Marquez, applied and was selected for the position of chief executive officer. Marquez took the lesson to heart: don't wait until there's a critical gap at the top of your organization to begin preparing your up-and-coming leaders to fill it. He used what he learned in the trainings to create a formal succession plan that prepares the organization for future transitions. Marquez told us: "Now I invest to develop leaders in each of my departments, and our organization is the better for it."
- *Seek out opportunities:* Think about the skills and competencies that are most important to your current role and the next role to which you aspire, and make a plan for strengthening these essential skills. This includes both asking to participate in formal training and finding on-the-job opportunities to practice and demonstrate different skills. (See "52 Free Development Opportunities for Nonprofit Staff" [LINK] for examples.)
- *You are part of the solution for the leadership deficit:* Participating in a leadership development program, even if it feels like a big time investment, can enhance your career, whether within your current organization or at a future one. As one EL who went through the Neighborhood Builders training explained, "Up until coming here a few years ago, I always considered myself more of a professional than a leader. The leadership program helped me acknowledge and accept that I was a leader." While many EDs had had opportunities to participate in other leadership development programs, for most ELs this was their first. This difference shows up in our data: 88 percent of the ELs we surveyed reported experiencing changes in aspirations, expectations or self-conception as a leader after participating in the training, compared to 58 percent of EDs.

For funders:

- *If you decide to fund leadership development efforts explicitly, select participant organizations carefully:* Make sure they are really ready to engage in the program and are in a place in their organizational development where they can benefit from it. We've observed that organizations that are poised for change can sometimes benefit the most. And leaders need to see how they can personally benefit, so that they are willing to make the necessary time commitment.

- *Don't just focus on training a leader, but on training a leadership team:* As discussed above, both EDs and ELs reported tremendous value in going through the Neighborhood Builders program together and often expressed the desire to include other members of the senior team.

- *Consider combining cash and capacity building:* Neighborhood Builders combination of cash and training turned out to pack a powerful one-two punch. While the award's \$200,000 in cash over two years may not seem significant, for 95 percent of the Neighborhood Builders participants, the sum represented one of their three largest *unrestricted* awards during that two-year period. The funding allowed some organizations to build internal capacity and others to kick-start a high-priority program. Leaders deeply valued the fact that the choice was theirs. Chrystal Kornegay at Boston-based Urban Edge Housing told us that the flexibility and size of the award “allowed us to respond nimbly and swiftly to the foreclosure crisis through the creation of foreclosure counseling services.”

- *Help nonprofits develop the internal human resource systems and capabilities that will enable them to develop future leaders on the job:* These can range from formal performance assessment systems and tools, to training for supervisors and managers on coaching and mentoring skill development.

- *Help build peer networks:* Peer relationships can be powerful! While the Neighborhood Builders program didn't explicitly set out to help participants forge strong relationships with their peers, these relationships turned out to be one of its most striking benefits. Two-thirds of the leaders we surveyed reported gaining valuable new relationships from their participation. One leader explained: “We met an organization ... and struck up an immediate partnership of two agencies wanting to learn from each other. They sent three teams of staff members over three months to interview our staff and clients, and later we helped them to launch a new site. We realized that we had a responsibility to share what we know, and we hadn't been doing this enough.” Peer networks can be a low-cost way to sustain the benefits of the training and continue learning after completion of the formal program.

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