

# Chapter 5: Monitoring and Improving Practices

*So far, so good. With you pointing the way, your organization has made critical decisions and initiated a suite of processes that can help ensure that your organization will have the leaders it needs today and in the future to meet its strategic goals. Now you face what may be your most difficult and important task: maintaining your leadership development effort's "cruising speed." You have to find ways to sustain your leadership development processes and keep up the intensity of the effort after the initial rush of enthusiasm. One reliable way to keep the momentum going is to continuously monitor your leadership development processes as you would any of your organization's other critical functions, to learn which processes work and which could stand some improvement. That's what management is, after all: confirming that you have set in motion the key processes called for in your plan—in this case, your Plan A—and measuring their effect on the organization. What you really want to learn is whether you have created organizational momentum for leadership development so that it becomes integrated into every team member's everyday activities.*

The nonprofit leaders we have surveyed admit that of the five processes discussed in this guide, the process of measurement and continuous improvement is their weakest link. Among the respondents to our Leadership Development Diagnostic Survey, only 3 percent strongly agree and 16 percent agree that they "have established clear goals to guide their leadership development efforts." And only 24 percent agree or strongly agree they "regularly collect data to evaluate [their] progress and to understand what leadership development practices and supports are most effective."

We'll therefore devote this chapter to some basic approaches organizations can take to start learning from their leadership development efforts in order to enhance their practice.

In our conversations with leaders and organizations struggling with monitoring, we often heard a strong desire to identify the “killer metric” that could definitively quantify a return on their leadership investments. While valuable, that type of analysis can be quite challenging and may not be the best place to start (see the sidebar on page 135 “Should You Compute Your Leadership Development ROI?”). The goal of monitoring, after all, is quite simple: to help you learn whether your efforts are producing the leaders you will need. Where the efforts are falling short, you want to find out why and fix what isn't working. Where efforts are going well, you want to shine a light on what's working and do more of the same. The key, we believe, is to begin with four steps, which we will detail in this chapter. They are:

- Step 1: Confirm objectives and key actions you're prioritizing.
- Step 2: Create checkpoints to ensure accountability.
- Step 3: Assess whether you're meeting your goals.
- Step 4: Diagnose potential problems and adjust course.

A well-designed monitoring system produces reliable information about your entire organization's leadership development performance. High-performing organizations get that way by stressing *individual* follow-through and accountability. So while we'll be focusing on organizational performance in this chapter, we will also elaborate on individual responsibilities, especially in the second step, where we discuss creating checkpoints to ensure accountability.

## Are You Monitoring Progress Effectively? An Excerpt from Our Leadership Development Diagnostic Survey

Are these statements true of your organization?

- You have established clear goals to guide your leadership development efforts.
- You regularly collect data about your leadership development practices to understand whether they are effective.
- You take action on the data you collect to improve leadership development practices.
- As changes to organizational strategy occur, you update your leadership development goals and practices accordingly.

### Step 1: Confirm Objectives and Key Actions You're Prioritizing

There's no doubt about it. Monitoring practices can be daunting, especially for something as multifaceted and difficult to quantify as leadership development. To knock the problem down to manageable size, begin by stating as clearly and comprehensively as possible what you are trying to achieve. The vision of the future and the development goals compiled in your Plan A can help organize your thinking. After all, the aim of leadership development, stated simply and broadly, is to ensure that your organization has the leaders it needs to achieve its goals and fulfill its mission, today and in the future. Your Plan A encapsulates your strategy for reaching your target, and you should be encouraged that

you've already gone a long way toward ensuring that outcome by preparing a Plan A and following the steps laid out in this guide.

Now it's time to gauge the results of all that hard work to make sure that what you are doing is getting you there. First, it can be extremely helpful to summarize the decisions and commitments you've made regarding leadership development. You may have identified areas of relative weakness, as identified through our Leadership Development Diagnostic Survey tool at [www.bridgespan.org/LeadershipDiagnostic](http://www.bridgespan.org/LeadershipDiagnostic). But most important is to summarize the specific actions and initiatives you're taking to build up the leadership pipeline as identified in your Plan A, discussed in Chapter 2. You can then determine whether those actions are having the desired effect (selecting those feedback measures is something we discuss more in Steps 3 and 4).

One way to organize your summary is to create a table like the one on the opposite page, where we've provided hypothetical examples of goals, actions, and feedback desired. The actual specifics will vary.

Now, with your priorities in front of you, you can turn to the information you'll need to measure how well your organization is performing the tasks it has set for itself. What you're looking for is information that will tell you:

- Whether you're complying with the action plan you've drawn up;
- How you're progressing against your leadership goals; and
- How effective your actions have been in meeting your leadership development goals and whether (and how) to adjust.

These are the guiding questions that each of the following steps will address.

## Sample leadership development priorities

STRATEGIC PRIORITIES	DEVELOPMENT GOALS	REQUIRED ACTION	NECESSARY FEEDBACK
<p><b>Q: What are the organization's strategic priorities?</b></p>	<p><b>Q: What are the desired outcomes for our leadership development efforts?</b></p>	<p><b>Q: What are the critical actions needed to accomplish these goals?</b></p>	<p><b>Q: What information do we need to gather &amp; assess in order to know how we're doing?</b></p>
<ul style="list-style-type: none"> <li>• Double the number of youth served in current geographies by opening new sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop 5 new site managers in the next 3 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide cross-functional development to potential site leaders (e.g., budgeting, stakeholder engagement).</li> </ul>	<ul style="list-style-type: none"> <li>• Number of potential leaders ready now, in 6 months, 18 months</li> <li>• Impact of development on candidate readiness</li> </ul>
<ul style="list-style-type: none"> <li>• Develop significant new revenue sources to support growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Build senior leadership team capabilities and capacity to support fundraising.</li> </ul>	<ul style="list-style-type: none"> <li>• Recruit senior director of development.</li> <li>• Evolve leadership competency model and role descriptions to include fundraising.</li> <li>• Pair leadership team members with board mentors to help build fundraising skills.</li> </ul>	<ul style="list-style-type: none"> <li>• Successful integration of senior director</li> <li>• Impact of development on team's capabilities</li> </ul>

Source: Adapted from Omidyar Network

## Step 2: Create Checkpoints to Ensure Accountability

While external events and contextual changes can certainly derail plans, in our experience, the most likely culprit is a simple lack of follow-through. For any plan to have a chance of success, it has to be implemented. As an organization, you need to create checkpoints to ensure there is compliance with the actions to which you've committed. That's what Carolyn Miles, the Save the Children CEO whom we met in Chapter 1, does during the first quarter of every year. That's when she reports to her board on Save the Children's leadership development and succession pipeline. It's a chance for her and the board to check the status of key leadership development initiatives and establish a theme for leadership development topics to be addressed in the coming year.

You might want to consider following Miles' example, baking these status checks into your organization's existing processes. At Save the Children, senior leadership meetings are a regular item on the organization's calendar, and at least one each year is devoted to a group discussion about succession and talent planning. While some of the meeting is given over to a discussion of organization-wide leadership development needs and priorities, team members know they'll be held accountable for leadership development in their areas of responsibility—an ongoing reminder that leadership development is an important part of their jobs.

Each direct report also meets individually with Miles to review his or her performance against leadership development goals and set new goals for the coming year. In a separate meeting, she discusses with each team manager his or her individual development plan. Every step along the way gives Miles an opportunity to reinforce the message that leadership development is critical to the organization—and to effective job performance. It's also a chance to reinforce that one's own

development is something that each employee has to own and drive.

You may decide that your organization should review its progress against leadership development goals more or less often than Save the Children. Whatever the frequency, it's important to confirm that you're executing the leadership development plan you went to so much trouble to create. You can do this without significant disruption to your organization's activities by adding these reviews to the agenda of existing meetings and check-ins. In doing so, you're not just ensuring that you're executing your leadership plan. You're also holding people accountable for doing so, especially the CEO, the board, and line managers.

### **Who's Responsible for What?**

**The board:** As discussed in Chapter 1, an engaged board can make a vital contribution to an organization's success. If you buy that leaders are critical to any organization's success—and you do, or you wouldn't have read this far—then the board has a responsibility to inform itself about the organization's Plan A and hold the CEO and the rest of the senior team accountable for executing it. At the successful organizations we've studied, the board reviews the status of the leadership pipeline at least annually and regularly updates itself on the organization's key leadership initiatives.

**The CEO and senior team:** As we have repeatedly stressed, no leadership development plan can succeed without a strong commitment from the CEO and senior team members. In Chapter 2 we discussed the senior team's annual talent review meetings, where team members review leadership needs, assess staff potential, identify gaps, and discuss required actions to develop the organization's leaders, prior to preparing a master Plan A. These meetings are themselves a critical checkpoint, but like Save the Children's

Miles, you may want to meet more frequently with the team to track implementation and assess the progress of particular initiatives. If you have created working groups or task forces to, say, refine your competency model or hire a key person, they should check milestones frequently. (For more on implementing large-scale organizational plans, see Bridgespan’s “Living into Your Strategic Plan” at [www.bridgespan.org](http://www.bridgespan.org).)

**Line managers:** Senior leaders can also support leadership development by modeling effective practices for line managers, who, as discussed in Chapter 3, are vital to any leadership development effort. By checking in with them periodically, you’re doing more than instilling an ethic of individual accountability, as important as that is. You’re also creating the opportunity to reflect on progress against your goals and the lessons you’ve learned. You also can identify areas for improvement.

### Step 3: Assess Whether You’re Meeting Your Goals

There is no one right way to monitor progress. But as a general rule, you’ll probably want to institute some sort of review of the actions you’re taking to build your leadership pipeline and gather feedback to assess results. Two organizations with well-established leadership development efforts, KIPP and Save the Children, take different approaches to this task. We’ll start with KIPP, which is currently in an ambitious growth phase. It wants to double the number of schools in its network by 2015. To meet this goal, it will need a slew of new principals. So naturally, KIPP wants to keep a close eye on its pipeline of potential school principals and track the number of people completing the progressive training needed to prepare them for increased leadership responsibility. (At KIPP, leaders typically advance

from grade-level chairs to assistant principals to principals, often with intermediate steps in between.)

In contrast, Save the Children is a large and mature organization and has chosen to focus on creating a deep bench of potential successors for a handful of key positions in each division. It uses this talent-tracking information, along with a summary of each division's key development themes, as the basis for senior team talent-planning meetings and annual updates to the board.

Both KIPP and Save the Children gather the data that enables them to understand the status of their leadership pipeline. Of course, the status of your pipeline may be changing slowly and it may take several years to fully understand whether you are achieving your leadership development goals. So how can an organization get an early read on whether it is making progress or not? One approach would be to revisit the Sample Performance-Potential Matrix introduced in Chapter 2. Annually looking at your up-and-coming leaders on this grid provides invaluable information about individuals, as well as the overall status of the pipeline. A review might show, for example, that while individuals in one department are developing the needed competencies, the pipeline as a whole isn't filling as quickly as you'd hoped. It may show that some parts of the organization are building a more diverse bench of future leaders than others. That information may reveal areas that require more focused investigation, which brings us to our final step of diagnosing problems and adjusting course.

## Get the Ball Rolling: Monitoring and Improving Practices

### **Tips for those at an early stage...**

**Set targets** for executing each set of “Tips for those at an early stage” found in each chapter of this guide:

- Report on your organization’s progress against those targets to your senior team and the board.
- During annual goal-setting discussions with the senior team and the board, determine leadership development priorities for the coming year.

### **...and at a more advanced stage**

#### **Fine-tune your monitoring and measurement efforts:**

- Determine where your efforts are meeting with the least success and collect data to help you pinpoint the cause of the underperformance.
- Look for cases of “positive deviance”—aspects of the program that are meeting with better-than-expected success.
- Apply what you learn from your successes to underperforming elements of the program.
- Expand your measuring and monitoring every year to include more elements of your leadership development effort.

## Step 4: Diagnose Potential Problems and Adjust Course

Leadership development processes and practices can always be improved, but there are only 24 hours in the day, and you can't assess everything all at once. So where do you begin? The simple answer is to start with any trouble spots identified in the previous two steps. If there are pockets of noncompliance or particular leadership roles where you have trouble retaining and progressing individuals, as revealed by the review of your Performance-Potential Matrix, then these areas merit in-depth analysis. On the flip side, you can gain powerful information by studying pockets of "positive deviance" within your organization—groups or leaders with a strong record of developing talent and producing new leaders. Analyzing their practices and approaches can help you isolate what works. As helpful as quantitative measures can be, there's nothing like success stories and internal role models to generate organizational excitement about your leadership development efforts.

If you are in the early days of formulating your leadership development system and don't have enough information on performance over time to identify particular trouble or bright spots, you might focus on practices that are new to the organization or those that you believe are most important. For example, if you identified providing cross-functional development opportunities as key to developing future site leaders, you may want to start collecting feedback on these experiences and assess whether they are developing the desired competencies.

One axiom rules all such efforts: It is important to gather feedback through a variety of methods.

If appropriate, start with basic data on the process or area in question. For example, to assess a new training program, you

might start with the numbers and types of individuals who started and completed the program. Questionnaires and surveys can also be helpful to understand perceptions and satisfaction with the process or aspect in question. They can test whether training was linked to a broader development plan, as called for in Chapter 3, and whether participants discussed the training with their managers before and after the session. Both participants and managers can weigh in on whether participants were able to apply what they learned and whether desired outcomes were achieved (such as changes in knowledge).

It's usually a good idea to allow sufficient time to elapse after training so that both participants and their managers can reflect on how participants' behavior has (or hasn't) changed. Qualitative methods such as interviews, focus groups, and document reviews also can be used to determine whether the outcomes resulted from the process in question, particularly in the absence of a comparison group, or to assess the drivers or root causes of performance or nonperformance.

More important than the information you collect is what you do with it. The checkpoints you established in Step 2 of this chapter, in addition to fostering accountability, also provide venues to discuss the performance of the leadership development system and how it can be improved. Whether you're talking to the CEO, the board, the senior team, or managers on the front line, you can use the following questions to help guide your discussion:

- What lessons have been learned over the past year?
- What are the strengths and weaknesses of the system?
- Does the leadership development system allow the organization to meet its goals?
- What adjustments do we need to make?

These discussions, as well as any evolution of strategic goals, might spur you to adjust the leadership development system.

Perhaps you'll determine that you need to develop additional competencies in your potential leaders or provide them with new learning experiences.

As your leadership development systems and strategic goals evolve, you will likewise want to consider adjustments to your monitoring efforts. For example, as your strategy changes, you might want to update the table where you list your strategic priorities and leadership goals. Or you might select different parts of your leadership development system for more focused investigation. Whatever changes you decide to make, remember that the objective isn't to generate more data but to perpetuate a cycle of continuous honing of your leadership development efforts.

## Should You Compute Your Leadership Development ROI?

As the leader of a nonprofit, you might ask yourself (or your board or funders may ask you) whether you should try to compute your leadership development effort's return on investment (ROI). That is, should you calculate the effort's financial payoff, expressed as a multiple of the amount of money spent on it? There are certainly benefits for undertaking this kind of assessment. If you can demonstrate, for example, that the payoff for a pilot effort was four times the amount invested in it, you have a powerful piece of evidence that can persuade a skeptical board or funder to back a wider plan. And as we described in Chapter 1, Boys and Girls Clubs of America (BGCA) used the data generated by its study of ROI (compiled with the assistance of McKinsey & Co.) to rally its affiliates to the cause of leadership development.

But a few words of caution are in order before you decide to embark on the laborious process of calculating your effort's ROI. Gathering the data necessary to reliably compute ROI is enormously expensive and time-consuming. Even large corporations with ample resources and large staffs of monitoring and evaluation professionals have a great deal of trouble determining the ROI of various internal efforts. You may decide that for all its unquestioned value, the time, money, and organizational energy devoted to determining leadership development's ROI can be better spent elsewhere.

Many of the nonprofit leaders we've spoken with recommend that, at the very least, you focus first on putting in place systems and processes for gathering basic data on your plan. Because most leadership development occurs on the job, a logical place to start is to gauge whether your organization is providing its leadership candidates with enough on-the-job learning opportunities and whether line managers are stepping up to their coaching and mentoring responsibilities. Over time, you may be able to expand your focus to gauge what effect leadership development is having on organizational outcomes. Ultimately, you may decide to tackle the job of calculating the ROI of your efforts. But as we heard time and again from nonprofit leaders, don't focus on ROI at the expense of monitoring more basic data. Even if you don't perform your own calculation, you can always cite the ROI data compiled by organizations like BGCA to build support for your own leadership development efforts.

## The Rest of the Story

*And here you are, at the end of your journey. The funny thing is, you know you're also at the beginning of another one. Launching your leadership development efforts was a huge undertaking. Now it's time to ensure it's producing optimal results by monitoring your progress and reflecting on what is working and what isn't. No sense kidding yourself: It's going to take time and effort to keep tabs on leadership development. But at least you've had the good sense to knock the task down to manageable size by limiting your focus to a few carefully selected areas that will help you judge whether your development efforts are achieving the desired results. And you have already made plans to share what you've learned with your board, senior leadership team, and line managers. Like you, they're accountable for the results, and you're looking forward to hearing their ideas. Truth be told, you're kind of excited at the prospect of fine-tuning your processes over time. This could be the start of something big.*