Brief Assessment of The Irvine Foundation's Fund for Leadership Advancement:
Findings & Forward-Looking Lessons
September 2011

The James Irvine Foundation created The Fund for Leadership Advancement (FLA) in 2005 as a mechanism to support the leadership development of a group of its grantees. Since its inception, the Foundation has made over 50 FLA grants, primarily in its three program areas of Arts, Youth and California Democracy. The goal of FLA is to increase the Foundation's impact by strengthening the nonprofit organizations and leaders with whom it partners. These grants have allowed the grantees to focus on their professional development needs and the needs of their organizations through the support of executive coaching and other services. The Foundation intended this program to be used in a flexible way to address a wide range of internal needs to be defined by the grantee. It is an uncommon approach to leadership development and consistent with Irvine's perspective on creating long-term sustainability among its nonprofit partners in California.

In July 2011, the Irvine Foundation asked Harder+Company Community Research to assess FLA's impact through a brief review of existing data to help refine the program's focus and direction. Specifically, the Foundation asked Harder+Company to address the following questions:

1. What have been the short- and long-term organizational impacts of FLA?
2. What is the explanation for the turnover among the FLA grantees?
3. How are the organizational characteristics of FLA grantees associated with the goals, objectives and strategies pursued under FLA?
4. What is the optimal timing in terms of organizational lifecycle and inflection point? What needs to be in place (e.g., strategic plan), and what type of opportunity should be present for the organization?
5. What other models are being used to support leadership development in the nonprofit sector?

The methods used for the brief assessment were very straightforward.

- Analysis of FLA grants data and consultant reports
- Review of FLA grantee reports
- Interview with Carol Gelatt, the consultant responsible for supporting FLA
- Interviews with seven participating grantees
- Interviews with five selected nonprofit leadership development experts and three FLA coaches

The product of this data analysis is a brief memorandum summarizing the key findings and presenting a set of lessons and recommendations based on those findings.

All of the grantees and consultants involved with FLA since its inception were eager to share their experiences with the Harder+Company team. In particular, Carol Gelatt, long-time advisor to Irvine and facilitator of the application process for all the grantees, was essential to the assessment. She was thoughtful, candid and generous with her time and insight. While the findings, conclusions and recommendations are the responsibility of Harder+Company, Carol's active participation in this assessment enriched it.

Key Lessons Learned

Lesson 1: The FLA is an effective use of dollars

This brief review concludes that FLA is highly cost effective. There is positive change for almost every grantee in at least one of the critical outcome areas, and some experience extensive transformation across multiple outcomes. Furthermore, a high proportion of the outcomes are long-lasting, having already achieved major organizational change or are on the road to such change. Our analysis of the program did not include the internal costs of consultant or staff time. But it is clear that the level of funding is at least proportionate to the investment and, in many cases, substantially higher. This conclusion is based in part on Harder+Company's experience evaluating other foundation-sponsored leadership development programs.

Lesson 2: Flexibility is essential

One of the strongest features of FLA is its flexibility. Within the framework of the model, the grantees work with consultants to identify their personal and organizational needs and create a plan of action. The strategies, the timeline and even the budget can be adjusted to accommodate the grantee's preferences. The grantees themselves cite this feature as one of the best aspects of FLA. The national experts we interviewed seconded this observation and stressed the importance of meeting the grantees needs, rather than attempting to fit them into a preconceived model.

Lesson 3: Organizations benefit from clear goals and guidance

Once the plan is in place, the specificity of the goals, objectives and workplan is a valuable tool for managing the process. The role of the FLA consultant in coaching the grantees through the application and proposal process, as well as monitoring them through the course of the grants is essential in keeping grantees focused. Her monitoring work with the grantees adds tremendously to the impact. Irvine may have an opportunity to hone its desired outcomes language and/or provide guidelines around "what works" and lessons learned from past FLA grantees. This idea is compatible with the flexibility that is a core piece of the FLA. More explicit desired outcomes could streamline the application and proposal process for both the grantees and Irvine. This may also allow Irvine to identify opportunities for leadership development that fall outside the FLA framework.

Lesson 4: A broader scope of work brings greater organizational impact

When grantees focus on activities beyond their personal development as a leader and include development of the board and/or a senior leadership team, there appears to be greater influence on the overall capacity of the organization. Many executive directors (EDs), both in the FLA and as cited in the literature, note that shifting their own role into one that is more strategic and typically more outward-focused requires an ability to be able to delegate responsibility for internal operations to senior staff and more fundraising responsibilities to the board. In many cases, executives feel stuck in their existing (management-heavy) roles if they do not receive assistance with board coaching or hiring of executive-level senior staff. Thus, in cases where the FLA focus is more inclusive of the multiple leadership elements in an organization, the ED's ability to achieve change is better supported.

Lesson 5: Organizations are strengthened by planning for leadership succession

This analysis has identified executive transition as a major theme in FLA. First-time EDs are more likely to leave their organizations in the first few years. In general, substantial turnover in the sector is a reality throughout the lifecycle of the organization. Every organization eventually undertakes a leadership change, if it is to continue its work. There is evidence in this assessment and in nonprofit management literature that this is an area of ongoing need and an area in which funders can have a critical impact. FLA can advance the ED's leadership capacity and leave the organization in a stronger position if the ED leaves. This might be an area of strategy refinement in the next phase of FLA.

Lesson 6: There are opportunities to refine the FLA Model

Our assessment is that the FLA model is a highly effective strategy for supporting the development of nonprofit executives. The depth of organizational and personal change it achieves is significant. However, this analysis shows that there may be opportunities to both deepen and expand the model. Added depth could be realized through a greater focus on executive transitions and their impact on organizations. In this world, executive transition is a fact of everyday life. Explicit consideration of succession issues could be addressed in the assessment phase and throughout the FLA process. To expand the model, Irvine could consider supporting other leadership development approaches that could complement the FLA model or could be of value to leaders for whom FLA may not be appropriate. These might include allowing broader use of the funds or shorter-term involvement with a focus on technical skills. A suggestion for refining the model offered by the grantees was some type of convening where they could share their experiences and identify some key lessons learned.

Findings

1. What have been the short and long-term organizational impacts of FLA?

Based on our analysis of the FLA outcomes as defined in the grantee reports as well as the final consultant reports, the outcomes can be grouped into four broad categories:

- Increased leader capacity – the competencies of *individual* leaders were developed or strengthened. This can include the senior team members and/or members of the board.
- Increased organizational capacity – the capacity of the *organization* was increased in such areas as performance management, recruitment, human resources, internal training or other internal management systems. Included in this category is also transformative change, reflecting the strengthening of leadership systems and sustainability.
- Improved board functioning – the ability of the *board* to perform its functions effectively, working in partnership with the senior team
- More staff leadership – the increase of management and leadership responsibilities of senior staff, other than the ED, through the changes in internal organization, decision-making structure, priorities or realignment.

Of central interest was if the outcomes achieved were long-lasting. We assessed each outcome area for each grant based on the consultant and grantee reports to determine how sustained the impact was. The time period of each outcome was scored using the following rubric, where "short-term" is during the life of the grant, and "long-term" begins after the grant ends:

0 = no noted improvement
1 = minor short-term improvement
2 = moderate short-term improvement; long-term impact is uncertain
3 = major short-term improvement; long-term position is strong

The four outcome scores for each grantee were averaged to yield a "mean outcome score" for the purposes of assessing correlations between organizational factors and overall outcomes.

An important caveat is that not all grantees had the goal of reaching all four outcomes. Some focused entirely on one or two of them. However, the purpose of this rating exercise is to examine how the FLA as a whole affected these outcomes among its grantees. Forty of 51 grantees were rated; the remainder did not have final reports available, primarily due to the fact that the grants are too recent and outcomes are not yet clear. In a few additional cases, outcomes could not be determined due to the ED leaving the organization early in the grant and the grant not continuing.

The table below shows most of the grants (47%) have produced moderate short-term improvements with uncertain impact in the long-term. Just over one-fifth (21%) produced minor short-term improvement. Just under one-fifth (19%) show the greatest impact, showing major short-term improvement and in a strong-position to demonstrate long-term change. In only 13% is there no noted long-term improvement. Computing the average score for each outcome reveals that increased leader capacity had an average effectiveness score of 2.0, with increased organizational capacity receiving an effectiveness score of 1.8. The last two outcomes, improved board functioning and staff leadership, both had scores of 1.6. This analysis suggests that the highest levels of impact occurred in the FLA work that focused on increasing leader and organizational capacity, with somewhat less impact in work that focused on the board or other senior staff.

Table 1. Types of Impact for Each Major Outcome Areas

Major Outcome Area	Time Frame of Impact				Mean Outcome Score
	0	1	2	3	
Increased leader capacity	0	10	21	9	2.0
Increased organizational capacity	3	11	19	7	1.8
Improved board functioning	10	7	13	10	1.6
More staff leadership	8	6	22	4	1.6
Percent	13%	21%	47%	19%	

 Ranking Key:
0 = no noted improvement
1 = minor short-term improvement
2 = moderate short-term improvement; long-term impact is uncertain
3 = major short-term improvement; long-term position is strong

This analysis of outcomes shows that FLA has produced a high level of longer-term impact in its two most common outcome areas, building leader and organizational capacity. The longer-term impacts of leadership and organizational capacity are illustrated by the following grantee quotes:

> *"Overall it is hard to say that anything hasn't been affected because overall it has made me a better organizational leader. That has infused into the entire organization in one way or another … It really increased my own internal capacity to lead us through organizational change and we wouldn't have been able to achieve other organizational goals without FLA."*

> *"The management team sees themselves as leaders in their field and the overall leadership of the organization; that is really important. … We are much stronger as an organization and our leadership team feels a lot more comfortable in our role as leaders."*

> *"I think that me moving out of day-to-day programming has dramatically increased the capacity of the organization. We have been able to take on roles in the community that we wouldn't have taken on before."*

2. What is the explanation for turnover among the FLA grantee Executive Directors?

According to data provided by Carol Gelatt, FLA consultant, 19 of the grantee executive directors (37% of the 51 grantees) have left their positions to date. Eight left during the grant and 11 departed after the grant. According to the nonprofit management literature, this is not an unusually high turnover rate for executives.

First-time EDs left their organizations much more frequently than experienced ones, and (based on this small sample size) were more likely than experienced EDs to leave during the grant rather than after. Almost two-thirds (64%) of the participating EDs who were first-time directors left their jobs in comparison to only 24% of the experienced executives.

Why do EDs to leave? Higher level positions or new opportunities were the most common reasons for EDs leaving among the FLA grantees. A small number (3 overall) left due to identifying a misalignment between their goals and those of the board or between their skills and those needed most in the organization. This can be a positive outcome of an effective coaching relationship, allowing the leader to seek a better fit and the organizational to seek a new leader with the appropriate skill set. The positive outcome of leadership transition is exemplified in the following quote:

> *"The organization has grown so much since I left, I am happy to see that. I had changed and helped the organization get through a tough period and I had taken it as far as I could."*

An important correlate of this question is what motivates leaders to seek new positions. There is strong consensus in the field that the unrelenting fundraising pressure nonprofit executives face, combined with often overwhelming time demands create an untenable situation for many EDs.

Kathleen Enright at GEO added that during the economic recession, turnover may be lower due to EDs not leaving because they are concerned about the ease of finding another (or at least a better) position. She also cited the Daring To Lead survey findings pointing to the pressures and difficulties of working with the board (as well as fundraising pressures that Rick Moyers brought up) that contribute to ED turnover. In the words of one FLA grantee:

> *"It is really hard to do capacity building and the development piece when you are trying to make payroll and keep the doors open and all the day-to-day stuff. It is difficult to really carve out the time and the head space to think big picture. That is a big piece of [the FLA grant]—being able to do that, clear that space."*

An important complementary question is **why do EDs stay?** More than one grantee remarked that they were concerned that if they left, the organization would be thrown into crisis or might not be sustainable. The FLA grant often spurred needed planning for succession and stabilization of the organization's sustainability through the development of leaders among the staff and strengthening of the board. These changes likely make an organization a more appealing place for the ED, and might increase retention, but may also prevent retention for the "wrong" reasons.

ED transition is a key time for support of the organization. FLA grants have served to ease transitions when they occur. FLA grants have also helped identify and clarify when the ED is not a good fit for the organization, contributing to longer-term organizational success by facilitating the change process. There is an opportunity for Irvine to provide support for this type of transition as it is a normal part of the organizational life of most nonprofits.

3. How are the organizational characteristics of FLA grantees associated with the goals, objectives and strategies pursued under FLA?

Our analysis finds few differences in FLA outcomes by organizational type, i.e., Irvine's three program areas – Arts, Youth and California Democracy. It is possible that the careful assessment of grantee needs in the application process ensures a good match between what a grantee needs and what FLA can provide. Across all grantees, the coaching strategy was almost universal, with 96% of them using that strategy. The relationships with the coach were very deep for many of the grantees. One observed:

> *"The coach being a real rock for me and helping me define questions and set out the process of getting questions answered… finding someone you can build a relationship with that is consistent, it was very helpful"*

Consulting was the second most common strategy, used by 65% of the grantees. Site visits to other grantees and executive education were the least common, each being used by just over one-third of the grantees. According to one grantee:

> *"We learned a lot by site visits, each location was rich with information regarding what problems we all shared, what things are endemic to the field, and lot of ideas about how to do things better. Site visits were the most valuable thing."*

Our analysis did not find a consistent set of strong associations between organizational characteristics and FLA grantee outcomes. One area where grantee characteristics were associated with strategy was whether the ED was first-time or experienced. Table 2 shows the distribution of strategies by tenure of the ED.

Table 2. Use of FLA Strategies by Tenure of the Executive Director

		Experienced ED (n=38)	First Time ED (n=14)	Total (n=52)
FLA Strategies	Assessment	19 (50%)	8 (57%)	27 (52%)
	Coaching	37 (97%)	13 (93%)	50 (96%)
	Consulting	23 (61%)	11 (79%)	34 (65%)
	Executive Education	14 (37%)	5 (36%)	19 (37%)
	Site Visits	14 (37%)	5 (36%)	19 (37%)

- Although there was not much difference between the strategies that experienced executive directors selected compared to those that first-time executive directors selected, first-timers

brought in consultants at a higher rate than their experienced colleagues (79% vs. 61%). This reflects their greater need for outside expertise.

4. What is the optimal timing in terms of organizational lifecycle and inflection point? What needs to be in place and what type of opportunity should be present for the organization?

FLA uses an approach of basing the leadership development work around an organizational change – an inflection point. Our analysis indicates that there are three major FLA inflection points – the initiative of a new strategic plan, the implementation of a strategic plan and a general process of organizational growth and transformation not guided by a strategic plan. Table 3 shows the relationship between these three inflection points and the grantees mean outcome score, using the methodology presented in Table 1.

Table 3. Mean Grantee Outcome Score by Inflection Point

		Inflection Point		
		New Strategic Plan Implementation	Strategic Planning In Process/ Initiated	Organizational Growth/ Transformation
Mean Outcome Score	Low	7 (54%)	2 (33%)	6 (50%)
	High	6 (46%)	4 (67%)	6 (50%)
	Total	13	6	12

- These small sample sizes do not show a strong association between the inflection point and mean outcome score, though it appears that those organizations in the process of strategic planning tended to benefit more from their FLA grants than those at other inflection points. Having the plan in place seems to show a somewhat lower level of success.
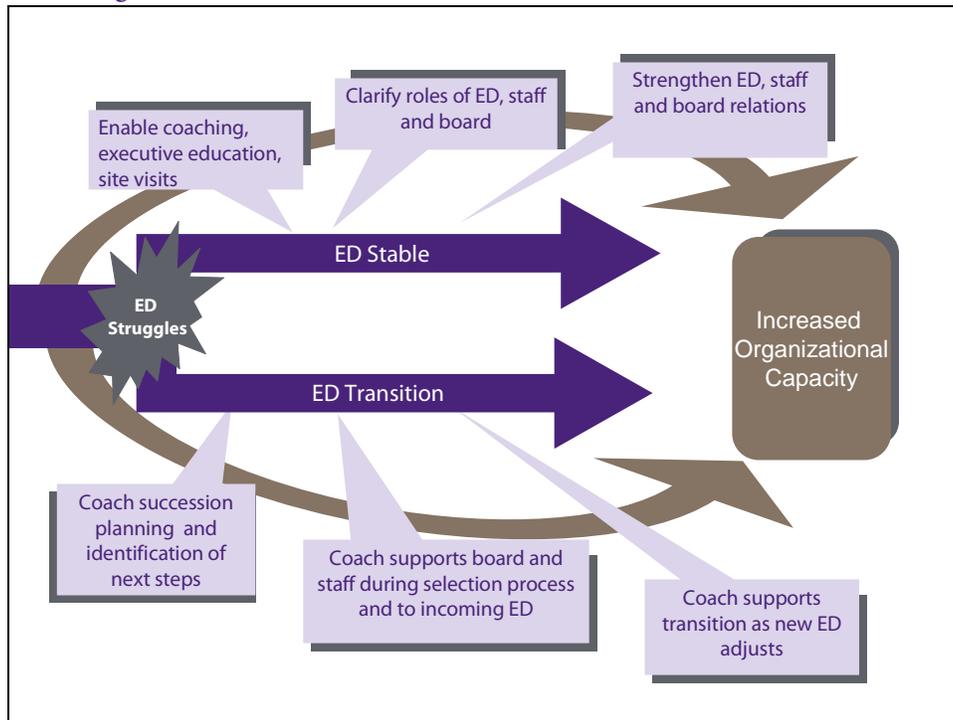
One of the grantees commented on their inflection point in an interview:

> *"I don't know how well we would have implemented the strategic plan [without FLA], that made a difference and that has helped with our current process … it allowed us to use our strategic plan and with the new plan we are looking to raise the level of the organization, looking for growth."*

Another aspect of the inflection point question relates to inflection points in the course of the ED's job at the grantee organization. Using that framework and the grantee data, we have identified opportunities to support the executive director as she or he moves through that process. Figure 1 below presents a graphic view of those

inflection points and where FLA has supported EDs in these transitions. It shows the ongoing cycle of leadership change and where the FLA coaches can support the individual executive as well help to maintain stability in the organization. The theme of leadership transitions was identified throughout this assessment. This is not just about the ED departure but reflects an appreciation of the career paths of nonprofit professionals. Regardless of the path an organization and its leaders pursue, the evidence is that the FLA model is a useful tool for achieving longer-term organizational effectiveness.

Figure 1. FLA Points of Influence in the Executive Director's Job Course

Enable coaching, executive education, site visits

Clarify roles of ED, staff and board

Strengthen ED, staff and board relations

ED Stable

ED Struggles

Increased Organizational Capacity

ED Transition

Coach succession planning and identification of next steps

Coach supports board and staff during selection process and to incoming ED

Coach supports transition as new ED adjusts

"I was able to use a lot of the process that I went through, it helped me transition, it helped me move out of the transition position from the previous ED and becoming the recognized leader of the organization. That was the biggest impact of the process that I went through."

5. What other models are being used to support leadership development in the nonprofit sector? Are there opportunities to incorporate other practices?

The Irvine Foundation was one of the first major funders to create a grant program focused exclusively on nonprofit leadership development. Other funders with an interest in supporting this type of work included leadership development as part of larger management assistance or capacity building efforts. As the field has matured over the past five years or so, it has become more common for funders to understand the value of strengthening the capacity of the individual leader and to make some type of funding available for that purpose. Intermediary organizations, most prominently Grantmakers for Effective Organizations (GEO) and CompassPoint Nonprofit Services, have conducted research and disseminated best practices in the area of nonprofit leadership development. A field of practice has emerged, allowing Irvine to see how FLA fits into the constellation of that practice and to assess how those other models may influence FLA going forward.

From our perspective, nonprofit leadership development programs seem to vary along two main dimensions. The first is the goal of the support. There are three main goals in this work.

- Personal development of the leader – this type of program intends to support the leader through the development of personal competencies, including more effective decision-making, setting priorities, communication or other personal skills
- Professional development of the leader – this type of program focuses on the technical competencies related to the ED's job, such as budgeting, fundraising, supervision, planning and evaluation. Personal development is not explicitly considered under this approach.
- Organizational change to support the leader – included here are efforts that support the leader more indirectly such as creating new staff capacity to free up the executive's time, sabbaticals, board development and staff training or expert consulting on technical issues.

There is a strong focus within FLA on the personal development of the leader, although the other goals can also be addressed and are, as Table 1 above has shown. But inherent in the FLA model is support for the transformation of the leader to higher level of personal efficacy in their role through the use of executive coaching.

The second dimension is the specificity of the model available to the grantee. Once again, there seem to be three broad options here:

- Grantee-driven model – the grantee has a great deal of discretion in how the grant is to be used, including content and strategies, as long as it is consistent with the purpose of the grant.
- Flexible model – the grantee works within a general framework with many options for flexibility within that framework. The funder defines the general approach
- Fixed model – the funder has defined all aspects of the program, including its content and capacity building strategies.

In this framework, FLA is most definitely a flexible model, with the grantee working within a loose framework that allows for variations in grantee needs and strategies. Under a grantee-driven model, it would be possible to use the grant for a sabbatical, new computers or extra health benefits for the ED, in addition to the more traditional leadership development activities. A fixed model would define the issues a grantee could address and might even be based on a fixed curriculum or workshops or course or a defined number of hours of a particular consultant or coach.

The need and demand for leadership development in the nonprofit sector is high and growing. Any type of program that responds to these needs is appreciated by its users so the evaluations of these efforts tend to show encouraging short-term outcomes. There are few reliable measures of organizational change that be used to compare outcomes across models. Proponents of other models at other foundations recommend a variety of approaches, with flexibility being the key. This view was also shared by all the FLA grantees interviewed. One commented:

> *"I think allowing us to do things that were not specified in the original proposal was good – retreats with staff – the flexibility of Irvine was very helpful."*

It may be useful to consider ways to increase the development options available to FLA, in addition to its highly effective coaching-based strategy. It is easy to imagine leadership development needs among Irvine's grantees that might be addressed by a less intensive intervention. FLA, as it is currently structured, requires a substantial commitment of time and attention from both the ED and the coach and significant grant support from the Foundation. Our brief assessment suggests that the return on this investment is high, producing meaningful change for almost every organization and individual who participates. But it may be possible to address equally pressing but different nonprofit leadership needs with a combination of strategies.