

# SOCIAL STARTUP SUCCESS

How the Best Nonprofits  
Launch, Scale Up, and  
Make a Difference

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Da Capo  
  
LIFE  
LONG

## PART 4

# LEADING COLLABORATIVELY

One of the trickiest challenges in scaling any organization is that you suddenly have to start managing people. A founder usually works like a whirling dervish to get things off the ground, either alone or with a partner, playing all roles: program director, publicist, fundraiser, finance manager and receptionist. But before long, to keep growing, it's imperative to start hiring people and creating a management structure. My study showed this was the area in which most founders believed they had made the most mistakes. Probing into the problems they reported, I discovered there were three key errors they made: (1) continuing to play too dominant a role in the messaging about the organization and in running it; (2) failing to hire people with the right expertise at the right time; and (3) appointing the wrong people to the board. The leaders of breakthrough social startups had done a better job of managing these challenges, though many of them had also made these mistakes at first and had to make course corrections. In this set of chapters, we'll explore the leadership approaches and specific methods of team building that allowed organizational leaders to free up

their time so they could focus on top priorities such as fundraising and strategic planning. We'll also learn how they hired the right people to do the right jobs at the right time, and fostered a high level of engagement and commitment to the mission. Finally, we'll see how some leaders created truly active boards, with expertise the organization needed, and how invaluable that can be in navigating leadership challenges.

## CHAPTER 10

# Cultivating Collective Leadership

One of the liabilities of starting a social enterprise is succumbing to the pressures of the “cult of the social entrepreneur.” Founders have become a new type of celebrity. Think about Teach For America’s Wendy Kopp and Toms Shoes founder Blake Mycoskie. When the media tells the stories of successful organizations, the emphasis is usually placed squarely on the remarkable passion and drive of their founders, as though they alone made the organizations work. The many prizes and fellowships given to founders from Echoing Green, the Draper Richards Kaplan Foundation, the Schwab Foundation, Ashoka, the Skoll Foundation and others, though certainly to be applauded, also contribute to the glamorization of founders. The effects are pernicious, fostering a “trying to be superhuman” syndrome among founders, and also leaving the crucial contributions of other staff out of the limelight. Every successful founder will tell you they couldn’t possibly have made their idea work if it weren’t for the incredible contributions of their staff.

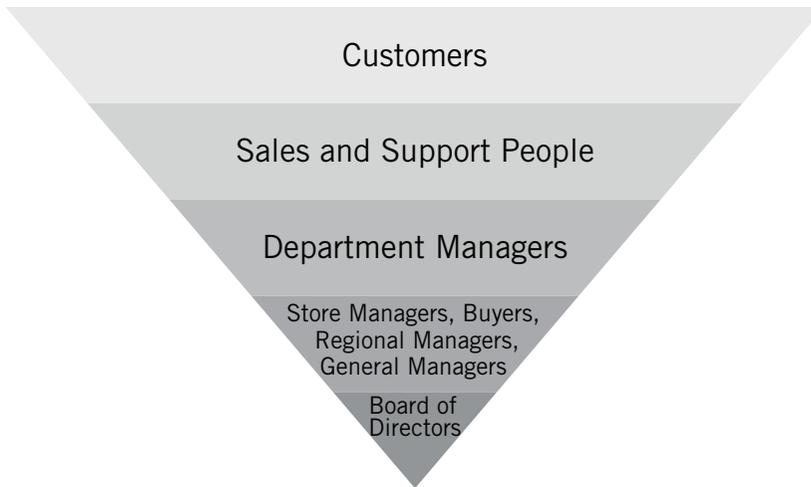
There is no question that founders of social enterprises must be prepared to be the face of the organization, at least in the early growth phase. They’ve got to take a leading role in fashioning the message and spreading it, as well as in meeting with funders to build support. But they’ve also got to learn to distribute responsibility for building the organization and credit for doing so throughout all

levels of staff. Early on, they've got to shift some of the weight from their own shoulders. And they've got to provide all those working for the organization with meaningful opportunities to contribute, and to see the difference their contributions are making. In a study of top-performing nonprofit organizations, Leslie Crutchfield and Heather McLeod Grant found that "wise CEOs recognize that they must share power if they are to unleash and magnify the potential of their organizations. They learn to let go to have greater impact."<sup>1</sup> Similarly, my study found that for early-stage organizations in particular, collective leadership is critical to allowing the CEO to focus on the fundraising and strategic planning efforts that fuel growth.

As the great leadership scholar Warren Bennis once said, "There are two ways of being creative. One can sing and dance. Or one can create an environment in which singers and dancers can flourish."<sup>2</sup> To distribute responsibility and to create an environment in which people feel empowered and appreciated, and where social creativity flourishes, leaders can draw on one of the most important innovations in business leadership in recent years: doing away with the rigid top-down hierarchical leadership model that came to dominate business in the twentieth century, and giving staff more autonomy and decision-making authority.

## REVERSING THE PYRAMID

Many of the most dynamic organizations I studied are incorporating elements of the "reverse pyramid" leadership structure. The inverted leadership model was spearheaded by the Nordstrom department store chain because, as Jim Nordstrom says in *The Nordstrom Way*: "People will work hard when they are given the freedom to do their job in the way they think it should be done, when they treat customers the way they like to be treated. When you take away their incentive and start giving them rules, boom, you've killed their creativity."<sup>3</sup> Recognizing that an engaged sales staff that felt respected and empowered was the key lever to driving up revenue,



The Nordstrom Reverse Pyramid Model Where Everyone in the Company Works to Support the Sales Staff. Source: Robert Spector and Patrick D. McCarthy, *The Nordstrom Way*.

Nordstrom leadership gave them more autonomy in their day-to-day work, and also asked for their views about potential improvements in the company.

This same reverse pyramid has been adopted by many technology companies in Silicon Valley, such as Netflix, because it makes them more nimble, able to adapt more readily to the rapid-fire changes they're constantly facing in their businesses. They can make decisions more quickly, and more good ideas for improvements to products and services are proposed by staff, because people understand that leadership will hear their voices and actually listen to them. What's more, employees are energized by a new sense of purpose, trust and appreciation.

Some of the social entrepreneurs I talked to also have put more decision-making responsibility in the hands of staff, at all levels, and they told me that doing so paves the way for fast growth. One of these is Premal Shah, who came on board as CEO of Kiva in 2006, after working as an executive at PayPal for several years. After Kiva founders Jessica Jackley and Matt Flannery appeared on the *Oprah*

*Winfrey Show* in 2007, Kiva went into growth overdrive. Shah says he felt he had no choice but to rely heavily on his frontline staff and volunteers to help steer the ship. He told me: “If I were to distill Kiva’s leadership style down to its essence, now that we have a hundred staff and about five hundred volunteers at any point in time, it’s all about ownership and allowing our staff to act like owners.”

One way Kiva does this is to have employees decide on and manage their own metrics. They also allow staff to show those metrics in a very public way, such as at staff meetings or on their internal website, a wiki where anyone on the team can update it at any time, so the team can learn from how others are succeeding as well as failing. As Shah describes it: “It is a very low cost, and simple thing, but it’s so essential to help equip people to learn from the past, preserve their institutional knowledge and feel like they have a resource to turn to when they feel over their head.”

Another organizational leader who emphasizes the importance of staff developing its own metrics is Nick Ehrmann of Blue Engine, the teacher-mentoring program based in New York City. He says doing so is not just about empowerment; it’s also a more effective way to gauge whether the programs are actually working. “I used to look at the data and come up with theories with our program director about why something was or wasn’t working. Now it’s upside down. Frontline staff are the experts; they’re driving all of the theories up and determining what they think is happening and then I chime in after that.” In addition to being a more accurate interpretation of an organization’s performance, Ehrmann says this way of measuring success also builds a collective responsibility to learn and get better. When people are in charge of their own metrics, all of a sudden “the purpose of data isn’t some kind of pure accountability

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mechanism to distinguish between people who fail and people who succeed. It's about how can we all succeed together."

Hand in hand with devolving authority, the leadership must also foster a sense of accountability and responsibility. As Nordstrom wrote on page 1 of the chain's employee handbook, that essentially comes down to inspiring people to "use good judgment."<sup>4</sup> One way to foster responsibility is by creating more mechanisms for transparency about operations and for giving feedback. Kiva has established structured feedback loops, not just top-down from the boss, but horizontally in every direction. One example of how they solicit feedback is a ritual they call Kiva Love: every month a micro-film recorder is passed around the entire office and staff members praise each other for acts of courage and things they've done to be selfless, which might have affected their own metric negatively, but advanced the whole. According to Shah: "This horizontal accountability system appears to be much more impactful than our standard performance management system. Whatever we can do to continue to make it easier for people to see and recognize each other horizontally and support each other seems to support this notion that everyone is an owner and should act like an owner, and as Nordstrom would put it, 'use good judgment.'"

Technology provides many great ways to establish more transparency. One example is a method used by Watsi, a crowdfunding platform for people with health care needs around the world. Watsi was launched three years ago in the Y Combinator accelerator (an intensive coaching program for early-stage companies culminating in a Demo Day where they present their ideas to a by-invitation-only audience) and has now recruited 21,733 donors to fund life-changing health care for 10,789 people. To put as much information as possible in the hands of their staff, the organization has created group emails for each department, and every time a team member sends an email, internally or externally, they are required to bcc (blind carbon copy) the list. People of course don't read every single email, but anyone at the organization can subscribe to any list, and that way learn all about what each department is working

on at any time. This radical transparency has been critical to empowering the staff at every level to feel connected to the work of everyone at the organization.

### **BE AN EGOLESS LEADER**

A culture of collective leadership involves not only how the organization is structured and the allocation of responsibility, but also the style of leadership from the top. Here the key is what Harvard Business School professor Linda Hill dubbed “leading from behind.” She was drawing on a phrase used by South African president and legendary leader of the movement against apartheid, Nelson Mandela. He wrote that a great leader “stays behind the flock, letting the most nimble go out ahead, whereupon the others follow, not realizing that all along they are being directed from behind.” Hill argues that this leadership style is the best way to motivate people and to unleash their creative potential.

One founder who works hard to try to lead from behind is Rob Gitin of At The Crossroads. After Gitin’s cofounder decided to leave the organization to attend medical school in 2001, Gitin found himself struggling to manage operations. He decided to build a culture of collective leadership in which everyone deeply understood the mission, was dedicated to furthering it, and was given responsibility and credit for the organization’s success. My visit to the offices clearly conveyed how successfully he’s fostered a spirit of engagement and empowerment. The energy in the room exuded wholehearted passion. Indeed, every desk and corner of the office displayed client mementos. Some of the staff have been with the team for ten years or more.

It’s important to highlight that, as Linda Hill writes: “Leading from behind doesn’t mean abrogating your leadership responsibilities.” The heads of social startups absolutely do need to be public promoters. Appearing in media stories, speaking at conferences

and generally presenting a charming, charismatic public face for the organization's larger mission are vital. Founders must usually also take primary responsibility for strategic planning and fundraising, at least at the start. Funders usually expect to meet with founders, for example, rather than other staff.

Rob Gitin has certainly taken all his responsibilities as founder of At The Crossroads seriously. But being a strong leader who is the face and voice of an organization in no way rules out also putting the spotlight on others and attributing success to them. Gitin has often purposefully deflected attention from himself to the organization as a whole. "When you are a founder," he told me, "people identify you as the organization. I have been conscious that the less important I make myself, the stronger and more sustainable the organization is." Asked how he's done that, he offered a number of insights. "Part of it is using 'we' language rather than 'I' language, saying 'we are engaging in this process' rather than 'I am leading this process.'" That goes for communication outside the organization as well, such as in meetings with funders or even clients. For example, if a client says to someone on the team, "You are the only person that really cares for me," counselors are trained to respond, "Yes I do care about you, and there is an entire team of people at this organization that care about you too." Gitin acknowledged that it's important for founders and executive directors to build a high public profile, and that "you have to be comfortable using your status to open doors, but as soon as you walk through those doors, you start making the conversation about the organization."

Gitin is constantly creating ways to put his staff out in front so he can lead from behind. He tries to identify when he is the only one who has a relationship with a partner or a supporter and takes his staff members to meetings with that person so they too can develop their own relationship. When ATC publishes its biannual newsletter, Gitin makes sure the stories mention staff members other than himself, so readers can hear their voices and appreciate that it's not just him, but a whole team of experts making the organization

work. For example, in its most recent newsletter, ATC highlighted the story of a client named Bubbles, whose five children ended up in adoptive families after she became homeless due to drug addiction. Bubbles has been working with ATC for sixteen years to transform her life. The newsletter highlights the work of ATC's program manager Shawn Garety to develop the relationship with Bubbles. As Shawn says, "Bubbles' profound wisdom, sharp wit and tenacity have kept me and ATC on our toes, laughing through and through. Over the years, we have been able to find humor in the darkest and brightest of our times together." By highlighting Garety's strong personal relationship with her clients, Gitin allowed her to take center stage, as opposed to hogging it for himself. He's realized that not only is this important from a morale perspective, to make the staff feel appreciated, but also from a practical perspective. He explains: "It's dangerous if I'm the only person talking to the outside world, because it creates a bottleneck." Now, instead of Gitin having a line of people waiting to meet with him, At The Crossroads accomplishes much more with multiple team members acting as the faces of the organization, including Garety.

Gitin is also continuously looking for opportunities to transfer responsibilities from himself to his staff. It's not easy to establish which responsibilities to retain and which to give up, and it's an evolving process. He says he's always recalibrating. For example, in 2012 when he took a seven-week sabbatical from the organization, he delegated his responsibilities to senior staffers. When he returned, he took back only about half the things he had delegated. He also told me that when he devised a new strategic plan with a key funder, his leadership team asserted their views about changes that should be made to it. "They came to me and they laid out all these things they felt we needed to do, and it was awesome."

Jim Collins sagely wrote in his business management classic *Good to Great*: "You can accomplish anything in life, provided that you do not mind who gets the credit." Rob Gitin and At The Crossroads are a great testament to that wisdom.

## YOU CAN HAVE A LIFE

Leading from behind is important not only because it allows staff to take more ownership over the mission of the organization, but because it helps prevent exhaustion. One of the biggest problems I heard about in my survey of social enterprise leaders was that they felt burned out, or close to it. Tomás Alvarez, the founder of Beats Rhymes and Life, a hip-hop therapy organization that serves youth in West Oakland, told me that when he left his organization after ten years of working seven days a week, it took him a year of decompression to recover. He said that at the time it felt virtuous to work so hard to make his community a better place, but ultimately it was unhealthy. “When you’re a social entrepreneur, the idea of prioritizing yourself feels so counterintuitive because the issues we’re trying to solve are so pressing, and we don’t want people to have to suffer. But because I didn’t set boundaries, I ended up burning myself out.” This is one of the great benefits of learning to diffuse responsibility. It allows you to make time in your life for family and friends and the other passions that energize you. You really can right-size your time commitment. Louise Langheier, for example, has maintained a great work life balance even as she’s founded and built a highly successful collective management structure for Peer Health Exchange.

Founded fourteen years ago, Peer Health Exchange has an annual operating budget of \$7.9 million, employs sixty people and has trained more than eighty-five hundred college student volunteers to deliver effective health education to more than 115,000 public high school students in New York City, Boston, Chicago, Los Angeles and the San Francisco Bay Area. In recent years, funding for wellness and sex education classes has been slashed, leaving teens vulnerable to unintended pregnancy, rape and sexual assault, drug addiction and other health-related problems. Through the strategic intervention of Peer Health Exchange, Langheier envisions a future “where health education is just a part of what a school provides its

kids. Where it is required and funded and has a really high set of standards for what it teaches.”

I visited Langheier at her office, located in a small San Francisco alleyway called Gold Street, the historical hub of the gold trade during California’s gold rush era. I say “her office,” but she doesn’t actually have one. When I walked into the large, open-plan loft-style space, with nineteenth-century exposed brick walls and long rows of tables, she popped up from smack dab in the middle of the room, waving to greet me. The open space gives no indication as to who in the room is a manager and who is an assistant. The room bustles with activity, like the trading floor of an investment bank.

Right from the start, even before she created this office space, Langheier sought to share her leadership responsibility. She launched the pilot for Peer Health Exchange, alongside her peers, while she was a student at Yale University. When the school district cut funding for health education, a public high school teacher in New Haven, Connecticut, asked Yale students to teach health workshops, hoping college students would be more relatable than he was, as an older educator. Langheier and five other students took on the challenge, and enjoyed the experience so much that they began holding health workshops at many other high schools around New Haven. Langheier realized she found the work stimulating far beyond the scope of a simple extracurricular activity, so she decided to continue with it after she graduated. But she didn’t want to do it all by herself. She convinced another student, Katy Dion, to join her as the cofounder of a nonprofit. Because she had a cofounder, she explains, she always felt accountable to someone else, and when they started the work of getting the company up and running, they established a practice of giving each other regular, no-holds-barred feedback.

As the organization took off, they extended their partnership outward and started sharing responsibility with the growing staff. “The cofounder model is part of our DNA,” Langheier says. Every time they decided to bring in a new employee, they made the recruit feel like a team member, not someone coming in as a subordinate

to an all-powerful founder. Langheier and Dion thought seriously about ways to divvy up responsibilities so they could give all their people a strong sense of ownership, whether over a new program or a fundraising campaign or a staffing decision.

The trust she's placed in her team has greatly motivated employees, and it's been a powerful recruiting tool. Highly talented applicants flock to openings at Peer Health Exchange because they know they will be given authority over high-level decisions, whereas in many other organizations planning is the domain of the founder or board. Many team members stay on for years, even though they have great prospects elsewhere. "Our VP of programs has been here for nine years," Langheier tells me proudly. "She could be doing anything because she's so talented, but she stays because she feels she owns this program."

The remarkable strength of the structure and culture is probably best demonstrated, though, by the decision Langheier made in 2004, only a year after the organization's inception. Peer Health Exchange was headquartered in New York at that time, and Langheier lived nearby. That year her mother, who lived in San Francisco, was diagnosed with cancer, and Langheier decided she wanted to spend as much of her time as possible enjoying her mother's company back in San Francisco. She commuted to the West Coast every weekend, doing her best to manage her responsibilities remotely when necessary.

As it turned out, because Dion and Langheier had shared many of their relationships with funders and other partners, Dion was able to seamlessly take over working with them when Langheier could not be there. For example, Dion and Langheier had written the curriculum and designed the trainings together, so Dion was able to pick up and run the health education programming. They had also participated together in many external meetings with board members and donors, so when Langheier's mom passed away and she could not be in those meetings because she was busy making funeral arrangements with her family, Dion could easily handle them.

When Langheier did return to New York full time, the organization was all the stronger because others had taken charge; they had become even more proficient managers of the mission.

In recent years, Langheier has established an enviable balance between her work and personal life, reserving her nights and weekends for sacred family time. “It doesn’t even occur to me to work on a weekend,” she says, “unless the organization is facing some crisis or we have a special program training I want to attend alongside our staff.” She hasn’t even come close to the burnout many social entrepreneurs struggle with, claiming that fourteen years later she still feels “genuinely excited to come in to work every day.”

Of course, Langheier’s less-controlling role within Peer Health Exchange is not without its challenges. She’s met with some criticism for largely staying out of the media spotlight. Her board, for example, has suggested that she seek more press and emphasize her own story and role in interviews. Her staff has also sometimes told her they would like to get more direction from her about important decisions. Finding the sweet spot in delegating responsibility is always a challenge, and the right mix is a moving target. When an organization is launching a major new initiative, for example, the founder or executive director should undoubtedly play a prominent role in promoting it.

Langheier thinks the benefits of her approach have far outweighed any difficulties. And she constantly receives support for that conviction, both from inside and outside the organization. At a recent leadership summit where Langheier’s senior team presented the organization’s strategic plan to forty of Peer Health Exchange’s top funders, they were thrilled to see the depth of the leadership bench. On her most recent maternity leave, Langheier left feeling confident the organization would continue to thrive in her absence, in the very capable hands of her five-person senior leadership team, which comprises a chief of sites, chief of shared services, vice president of programs and strategic partnerships, vice president of external affairs and vice president of finance, tech, and operations—and thrive it did.

## SPEND QUALITY TIME ON HIRING

Of course, giving employees at all levels more responsibility requires they be well equipped to exercise that responsibility. It's vital that people have the right skills, and in nonprofit work the right degree of passion for the mission as well. Leaders must make hiring decisions carefully and strategically.

One of the biggest pitfalls early-stage organizations reported in my study was hiring people who weren't right for the job. Throughout my interviews, I heard story after story about hiring and staff development mistakes. Sarah Hemminger, the founder of Thread, which supports underperforming high school students through mentoring, succinctly stated that in the beginning she had "absolutely no clue how to hire the right people." Carolyn Laub, the founder of the Gay-Straight Alliance Network, ticked off her mistakes in rapid fire: "I made bad hires, I wasn't good at managing, I was losing members of my team, who were burned out."

Bad hiring decisions can be horribly costly. A *Harvard Business Review* study estimated that mistakes in hiring, such as a poor skills match, account for 80 percent of employee turnover; and research shows that for a nonprofit, the average cost of a single bad hire, whether the person remains with the company doing subpar work or needs to be replaced, is tens of thousands of dollars.<sup>5</sup>

To combat the disruption and expense of such mistakes, a hiring strategy is enormously helpful, not only in identifying the right people, but in communicating to them what their roles will be, precisely what your expectations are and your plans for continuing to grow the organization with their help. With a comprehensive and clearly communicated hiring strategy, expectations are clear on both sides, and great people are more likely to accept jobs, because they have confidence you've got a good growth plan.

One leader who learned this lesson the hard way is Thread co-founder and CEO Sarah Hemminger. She got the idea for Thread from having watched a friend in his first year of high school. Once a varsity athlete and straight-A student, he began to struggle and

missed more than thirty days of school after a devastating car accident left his mother temporarily paralyzed, unable to work, addicted to prescription medications and forced to move into public housing. Fortunately for him, his teachers intervened. “A group of them got together and said, ‘Look, we’re just not going to let this happen,’” Hemminger recalls. They began driving to his house, making sure he had breakfast, and driving him to school. Her friend, Ryan, turned his life around and was able to attend the U.S. Naval Academy. But the success story doesn’t end there. Eventually, Hemminger convinced her friend to date her—they have been married for eighteen years.<sup>6</sup>

Thread began as an all-volunteer organization. Hemminger, who felt lonely and isolated after moving to Baltimore to pursue her PhD in biomedical engineering, was volunteering at a high school and met many students like Ryan: exceptional individuals in extraordinarily challenging situations. As she connected with these students, she quickly realized that forming genuine relationships might offer her the loving community she was missing and then the kind support that had helped Ryan years before. These students became the first cohort of Thread, which targets students academically performing in the bottom 25 percent of their freshman class, with an average GPA of 0.15 on a 4.0 scale, and who face significant barriers outside the classroom. As the program grew, Hemminger recruited volunteer mentors from her graduate school program. She asked them to conduct after-school tutoring sessions, and quickly had enough volunteers to assign just one mentee to each mentor, a great one-to-one model. As more and more people volunteered and they had more volunteers than students to counsel, they changed the model and paired multiple volunteers with each student, which is how the Thread concept of a “family” of support was born. Today, students are paired with up to five volunteers who do things like pack their lunches, give them a ride to school, tutor them and help them find a summer job. “Anything you would do for your own child is basically what we do for our children,” Hemminger says.<sup>7</sup>

Although the program was booming, Hemminger soon realized that the model would be unsustainable unless they began hiring

staff. Never having hired before, she started by dividing all the work she had been doing into new staff positions. “We had absolutely no clue how to really do a needs assessment or create job descriptions, let alone profile the right people for the right roles.” As a result, Hemminger made some terrible hires. “It wasn’t that these were bad people, it was just that we didn’t know what we wanted or needed or how to select effectively.” Once she realized that things weren’t working, Hemminger went to her board, to her funders and to anyone who cared about the mission who had human resources expertise and was willing to advise her. With their guidance, Thread created processes to make sure they brought in people with the right skills and passion for the mission; that system has worked well as the organization has continued to grow.

Being strategic about hiring requires taking more time, which can be a difficult self-discipline. As Abby Falik of Global Citizen Year told me: “It can be so tempting to make quick hires because it relieves the pain of not having someone in a critical role.” One of the best ways to evaluate someone is fit for a job is to ask them to do an assignment. Abby Falik advocated this practice and gave some great examples. “If the role is managing finance, you could ask them to build a financial model and present it in easy to understand terms to some members of your team. Or if you’re hiring for a sales or fundraising role, you could have them develop a pitch and actually make it to a group of people on your team or your board. If the role is strategic planning, you could ask that they develop the rubric they would use for evaluating your program and presenting a new strategy to the board.” This also allows you to spread responsibility for hiring to your team, getting valuable feedback from them about whether the person is the right match for the job.

Another piece of advice leaders gave is that it’s vital to take the time while interviewing to evaluate whether or not someone is a good fit, not only according to skills but also for your organization’s culture. That is of course easier said than done. One way of clarifying this is to talk very openly with candidates about your culture; include not only aspects that just about anyone would find

appealing, such as that you emphasize collaboration and support of colleagues, but also those that might be challenging, like transparency. Some people might not like a culture that encourages subordinates to speak up with critiques.

Many leaders I interviewed told me they have developed one key question that helps them evaluate cultural fit, along the lines of the favorite question venture capitalist Peter Thiel says he likes to ask: “Tell me something that’s true, that almost nobody agrees with you on.” This helps him find employees who aren’t afraid to speak their minds. Abby Falik always asks interview candidates to tell her about their first job ever, because “it’s typically not on their resume, or a response they have practiced. The question is disarming and forces someone to drop into presenting something fresh and authentic about themselves. It helps me read whether this person can be vulnerable and also puts them in a more grounded, and less habitual, place for the rest of the interview.” That’s an important quality in staff, given that self-reflection is at the heart of Global Citizen Year’s mission. She also asks candidates, “What would you do if you didn’t have to work for money?” to see where their passions really lie.

Other leaders ask interview questions that get directly at whether someone is a team player. For example, Premal Shah of Kiva screens for optimism by asking a candidate: “How many bad days would you say you have in a given year?” As he reveals: “I’m looking for people who honestly struggle to come up with an answer or who would put it at a very few number of bad days a year, because our work is really hard so optimism is critical to creating the climate where we can get our work done.” For Charles Best at DonorsChoose, his question is “Who are you most grateful for?” This question screens out a huge number of candidates: “You’d be shocked at the proportion of candidates who cannot list more than their mom when asked that question.” For DonorsChoose this question is important because it’s a very good proxy for humility and gratitude, and the kind of person you want to work with. “Don’t you want to work with the person who can rattle off ten people they’re grateful for, like their coach, their former teacher, the manager of their last job?”

## **CORRECT MISTAKES QUICKLY**

Even after implementing these practices, you will almost inevitably discover that you've hired some people who aren't good fits. Don't fret about it; take action. The rule of thumb I've heard over and over from nonprofit leaders is that you must be "slow to hire and quick to fire." If someone isn't working out, you can give them a chance to improve, but drawing it out over several months when you know in your gut they aren't a match for your team isn't helpful to anyone. This is a hard rule for many nonprofit leaders to follow because they tend to be so empathetic and also to think of their staff as family. That sometimes makes letting people go very tough. Rob Gitin from At The Crossroads, who faced many early hiring challenges, ultimately realized that hiring and firing decisions must be only about the mission, not about making people happy. That realization was game changing for him. He told me: "Especially as a leader, one of the biggest things you can do in helping the organization accomplish the mission is to find a way to quickly transition people out when they're not the right fit. They can be amazing people, but that might not make them the right fit. Every single person on the staff has to have one reason for being there: to accomplish the mission."

## **PROVIDE OPPORTUNITIES FOR LEARNING AND BONDING**

Once you have all the right people on board, you have to spend quality time helping them bond and develop their talents. Great teams don't just happen. They are the product of very deliberate team-building efforts. With such pressing workloads, taking time to focus on your people rather than your program and supporters can be a real challenge. As a result, many nonprofit leaders end up putting team building on the back burner. That's a big mistake. Providing opportunities for socializing with colleagues and for learning, taking people away from the daily grind for a respite not only energizes and bonds people, but also helps prevent burn out.

Carolyn Laub, who started the Gay-Straight Alliance Network when she was barely out of college, told me: “Over and over I had staff leave that I desperately wanted to stay but they were

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Great teams don't just happen. They are the product of very deliberate team-building efforts.

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burned out; clearly the pace of the work that I was willing to do was not the same that staff were expecting.” Providing opportunities for your staff to learn and bond is also critical to developing a culture where people have each other's backs and feel connected to the organization, not just the cause, in an emotional way.

Rafael Alvarez, founder of Genesys Works, is a huge proponent of creating ways for his staff to socialize. Particularly important was bringing people from different offices together as the organization expanded. Alvarez started to see early signs of friction between his founding team and the new additions. “I knew I had to nip it in the bud,” he said. He decided to invest in a three-day retreat for the entire team. The event was a huge success, and Alvarez told me that “it wasn't anything fancy, but had it not been for that retreat we would not exist today, I guarantee you that.” The retreat has become a yearly event, even as the organization has grown much larger over the years.

Many other organizations I talked to hold similar annual retreats. Alan Khazei, the cofounder of City Year, talks about the organization's annual retreats as critical to building a common culture during its founding years. “We had an extremely diverse corps, from people who hadn't graduated from high school to Harvard graduates, so we realized early on that we had to build a very unique culture that would bring everyone together.” Today, retreats and trainings are key to the effective delivery of City Year's service in more than three hundred schools nationwide.

Charity:water connects its staff to the cause by taking everyone on its staff, regardless of what department they work in, from accounting to engineering to product design, at least once on a one-week trip to visit its water projects around the world. As CEO Scott

Harrison says, “No one is going to get rich working for charity:water, so our job is to connect them to the mission, because that’s the reason they’re here.”

Genesys Works, CityYear and charity:water are all large organizations that can afford these kinds of national and global all-staff retreats, but team-building does not have to be expensive. Global Citizen Year, for example, has borrowed from Acumen Fund to hold all-hands meetings on Mondays, when they bring in someone inspiring from the field to make a presentation. According to Abby Falik: “Because I’m in an external-facing role I spend a lot of my time getting inspired about the work from other people outside of our organization, but that’s not true for most of our staff.” Bringing the staff together once a week to learn from outside experts helps them to think in new ways about the organization’s work, and to feel invested not only in the cause but also in the organization, because it is investing in their professional development.

Charles Best from DonorsChoose has developed an online system for his staff to connect using the tech platform Slack, through which staff can create conversation threads around common areas of interest. For example, they have a channel for parents, a channel for fitness buffs and a channel for inspirational projects where people can say, “Did you see this amazing project a teacher created?” This allows the staff to stay connected to each other and to continually be inspired by the organization’s mission. Ultimately, he says, being engaged and feeling connected is what makes people stay.

In order to optimize the potential of these organizational and culture-building methods, founders and CEOs need the help of a strong executive team. Reversing the pyramid does not mean an organization should have no management structure at all; in fact, it works best when departments each have their own strong leaders to guide them. We’ll see in the next chapter how a number of leaders have built strong executive teams and benefited hugely from being able to delegate so much responsibility to them.