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Foundations Need to Take Greater Chances in Hiring Leaders



Pablo Eisenberg

By Pablo Eisenberg

Foundations desperately need visionary and risk-taking leaders, but when they choose new people to run their organizations, they often forget about the talent they have in their own offices: the program officers who spend time working with potential grant recipients and who understand the challenges facing the causes that foundations support.

Even bright and innovative program officers with considerable experience and enviable track records are shut out by a system run by the nation's wealthy and professional elites, one that stresses academic and establishment credentials, a résumé that impresses but does not excite, qualities of solidity and risk aversion over edginess and risk taking. And as foundations increasingly rely on search firms, they are encouraged to make even safer and more socially acceptable choices.

Is it any wonder, then, that many young capable program officers, after a few years, decide there is no future for them in the foundation world and leave for jobs to go where they have chances to advance? Were it not for a tight economy and the relatively generous pay and perks that foundations offer, the exodus of solid program officers could become torrential.

Career ladders in philanthropy have been an issue long ignored by foundations, even though they have been losing employees with tremendous leadership potential over a long period of years. To its credit, the Council on Foundations this fall issued a report. "Career Pathways to Philanthropic Leadership," to examine the characteristics of people hired for foundation executive positions and how such executives were hired. The council says that this is the first effort to collect baseline data on the subject and that through discussion of the report it hopes to shed light on the need for future research.

The study is divided into two parts: the first is a quantitative research effort that looks at the appointment of 440 executive directors from the beginning of 2004 to the end of 2008; the second, based on structured interviews with 50 CEO's, trustees, foundation executives, and leaders of regional foundation networks and other professional organizations of grant makers, offers a qualitative assessment that examines what helped a foundation leader get the top job. Unfortunately, the second part, which might be of greater interest, has been kept confidential, based on the promise of anonymity to the interviewees. Even the list of interviewees is classified. Surely foundation officials are not so scared that they need to have such a veil of protection about their personal insights.

What is perhaps most notable about the quantitative part of the study is the finding that nearly 80 percent of the executives hired from 2004 through 2008 came from outside the foundation they were appointed to lead. Among community and public foundations, the figures were 87.5 percent and 84.5 percent, respectively. Those data reflect poorly both on the leadership-development efforts within foundations and the willingness of trustees to give their staff members an opportunity for leadership.

Most of the new hires (67 percent) came from outside the foundation field, 25 percent from nonprofit groups and a similar percentage from the business world.

Half of the new hires were women and about 20 percent were members of racial and ethnic minorities. Women were more likely than men to have come from a foundation background.

According to the council's study, the 50 leaders interviewed anonymously had a few observations that are important to follow up on more openly:

- Thirty percent of the leaders said that mentors played an important role in their careers. It would be important to learn what kind of mentors they had, from what fields they had come, and exactly what the leaders had learned from these influential people.

- Leadership-development programs are needed to identify and cultivate the talented workers who already are employed by foundations.
- Search firms and search committees play a big role in helping foundations hire new leaders. This observation requires much greater examination by both the council and its membership, and it is an issue that affects nonprofit organizations as well as foundations.

Some observers, including myself, believe that the growing reliance on search firms by foundations and nonprofit groups in their hunt for CEO's, other high-level staff members, and even board members is a major reason for the selection of so many mediocre, lackluster people in the nonprofit world.

Many of the staff members who work at search firms have large Rolodexes but little experience running organizations or undertaking activist endeavors.

They often tend to be cautious and anxious to please. They are afraid to present to boards or search committees candidates who are feisty, risk-taking, or noncredentialed. They want to ensure they will be hired for future assignments.

Not long ago a recruiter at a leading search firm asked me to suggest a CEO candidate for one of the country's largest foundations. A month later, when I asked how my recommendation had fared, she said that she had decided not to forward his name to the board, because, although he was an outstanding person, he was too edgy, potentially controversial, and might "push the envelope" too far. In short, the search firm had made a decision that the board should have made.

This type of process is all too common with search firms working in the nonprofit world. Just as worrisome, as more and more organizations rely on headhunters, both at charities and at foundations, searches are now focused even more on outsiders instead of developing talent from within.

I hope the council will direct more of its attention in future research to the problems of search firms and how they conduct their business, their impact on the quality of foundation staffing, and the role of foundation boards in working with those firms.

The council will also need to look more closely at the attitudes, morale, evaluations, and critiques of young program officers in both large and small foundations. Why are so many of them disenchanted or dissatisfied with their work? How do they view the CEO's and boards of their foundations? Why are so many leaving what might be viewed as cushy jobs?

A couple of years ago four promising young program officers at one of New York's major foundations left their jobs, believing the leadership of the organization had not encouraged or rewarded their initiatives and hard work. Another bright and aggressive young program officer told me that his foundation CEO recently told him that "he wanted to do too much"; discouraged, he soon left the foundation.

Those are not rare occurrences; Today's young people seek opportunities where the leadership is collegial and where they can participate more fully in the affairs of their organizations. For them, hierarchical, top-down leadership is anathema. They want a learning experience in which they can safely test their ideas and skills, energized by sympathetic supervisors and leaders.

Those are the kinds of concerns the Council on Foundations and other leadership groups need to examine. The council's new effort is significant, but to make a real difference it must expand this study to include a look at board members, especially board chairs. The research should be transparent and should pose the tough questions. That is what we expect of a good and responsible trade association. Nothing less will do.

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