

Call to Action:

HOW LAY LEADERS CAN
OVERCOME THE JEWISH
COMMUNITY'S LEADERSHIP
PIPELINE CHALLENGE

MARCH 2017



LEADING EDGE

Alliance for Excellence in Jewish Leadership

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“Who will lead them, so that God’s people will not be like sheep without a shepherd.”

NUMBERS 27:17

EXECUTIVE SUMMARY

Outstanding leaders drive powerful results. They inspire staff. They forge meaningful partnerships with boards and donors. They lead with purpose.

Recruiting, cultivating, and retaining outstanding leaders is one of the most powerful levers organizations have in fulfilling their missions. Yet, finding the right leaders to fill these roles in the Jewish community is becoming increasingly challenging.

Over the next five to seven years, **75 percent to 90 percent** of Jewish nonprofit CEOs and other senior leaders will retire or otherwise leave the sector in the United States.

To assure the vitality and continuity of our treasured Jewish organizations, we, as lay leaders, must take action to bridge this gap.



In 2015, Leading Edge brought together 25 lay leaders (board members, funders, critical volunteers) from across the country to form the Lay Leadership Commission for Professional Recruitment & Retention. Throughout five convenings led by The Bridgespan Group, Commission members explored ways lay leadership can help to address the barriers keeping our community from having the robust talent pipeline we need.

This report highlights key themes we believe are at the root of this problem and outlines a number of practical steps we, as lay leaders, can take to promote progress.

WE IDENTIFIED FOUR KEY THEMES TO ADDRESS:

1. WORKPLACE CULTURE CHANGE

“If we don’t change the culture of our organizations, then it’s like pouring clean water into dirty—it all becomes dirty.” – Jewish Lay Leader

A great workplace culture is a powerful lever in attracting and retaining top talent. We need to put workplace culture at the top of the agenda, and actively support our organizations as they embark on this work. So, let us start with the best practices associated with boards. This includes a respect for board-professional boundaries and extends to active board involvement in identifying, budgeting for, and implementing policies that are best practices in the field.

NEXT STEP: Create an assessment tool similar to the “LEED Certification,” which will focus on best practices in the field. This tool will encompass all aspects of a healthy organization, on the professional and lay sides. As a first step in this certification, we will determine best practices and an assessment for boards.

2. INVESTMENT IN TALENT

“If we want real talent, we have to pay for it.” – Jewish Lay Leader

To attract high-quality talent, we have to stop thinking of professional and leadership development as pejorative line-items in the “overhead” bucket. Ours is a service-based sector, after all, and services are delivered by our professionals. We must look past semantics and prioritize investment where it is needed. This starts with investing in and nurturing the talent we already have in our organizations. Board members can help organizations understand their current investments in talent. And funders can re-evaluate their own relationships with such investments. We can—and must—lead the way.

NEXT STEP: Develop tools that funders and board members can use to assess the level of investment in talent.

3. LAY-PROFESSIONAL PARTNERSHIPS

“The only way we will change our organizations is through the CEO and the board chair working together in a dancing hevruta.” – Jewish Lay Leader

At the core of a healthy organization is a strong lay-professional partnership. When the board and staff are in sync with one another, complementing each other’s efforts, the whole is greater than the sum of its parts. But if they are not in harmony, the organization suffers greatly. In order to become better partners for professionals, we need to lead by example. To do so, we, too, need support and training to become more effective in our roles as board members and funders. We need to help fellow board members—especially board chairs and potential successors—become more effective in partnering with professionals.

NEXT STEP: Build a leadership onboarding program—for board chairs and vice chairs—with appropriate coaching, mentorship, and peer-to-peer training.



4. CEO SUCCESSION AND SEARCH

“When looking for CEOs, we are looking for unicorns.” – Jewish Lay Leader

The single most important function of lay leadership is hiring a CEO. We have an opportunity to improve upon this process by building more adaptive and effective search committees. We need support to know how to hire strategically, with each organization’s future challenges and opportunities in mind. We must change our leadership paradigm to embrace increased diversity, attract more women, and recognize that behind every great leader is a great team. In other words, let’s rethink the notion that one charismatic leader is needed to single-handedly transform each organization, and realize that a diverse leadership team with complementary strengths is the key to truly effecting change.

NEXT STEP: Create a toolkit of resources to support organizations undergoing CEO transitions, including best practices in hiring and onboarding.

In the coming months, we will be moving forward with the identified next steps and will create opportunities for other lay leaders to join these efforts.

JOIN US.

FOREWORD FROM CO-CHAIRS

The leadership pipeline in the Jewish community is tenuous. A vast cohort of professionals who hold top positions is retiring. Who will succeed them? How can we avoid a leadership deficit?

Only a few generations ago, Jews didn't have full access to all professional avenues. Now, with countless corporate opportunities (and higher pay scales) available, the allure of working within the Jewish communal profession has diminished drastically. Our sector struggles to attract talent. Our executives face burnout. Few prepared leaders are moving through the ranks of our organizations, disillusioned by the perceived lack of advancement opportunities and less-than-great organizational cultures. In short, a "brain drain" has us in its grips.

Unfortunately, few succession plans are in place.

How can we reverse this trend? How can we ensure the Jewish community attracts, retains, and develops the talent it needs to succeed? How can we create attractive organizational cultures so the brightest minds can help address our community's critical, long-term needs?

Leading Edge was created to help answer these questions.

One of its guiding principles is a belief that the enduring health of the Jewish nonprofit sector depends upon a robust lay-professional dialogue. But building a vibrant community isn't just the responsibility of salaried professionals. Board members, who hire and oversee executive leaders, must authorize the investment necessary for emerging leaders to work and thrive. Their commitment—and their financial support—are vital to our mission.



In 2015, to address the root causes of the leadership challenges we face, Leading Edge convened 25 lay leaders with extensive experience at the local, national, and international levels for a Lay Leadership Commission for Professional Recruitment & Retention. This report lays out four key themes that emerged from the Commission's discussions, and it serves as a clarion call to inspire other lay leaders to join the conversation.

The fate of our community rests on our collective shoulders. In order for our sector to thrive tomorrow, we need to take bold steps today.

We hope you'll join us in these efforts.

In partnership,



Susie Gelman



Joe Kanfer



Daryl Messinger

INTRODUCTION

Outstanding leaders drive powerful results. They inspire, connect staff and donors to the mission, and leverage resources. They imbue the organizations they lead with strategic direction and purpose, and build bridges across communities. They enlist their boards as meaningful partners in their work.

Recruiting, cultivating, and retaining outstanding leaders is one of the most powerful levers organizations have to fulfill their missions. Yet, finding the right leaders to fill these roles is increasingly challenging.

The Lay Leadership Commission for Professional Recruitment & Retention, a Leading Edge program, set out to engage lay leaders (board members, funders, critical volunteers) to address the challenges that hinder Jewish nonprofits in North America from having the robust talent pipeline we need.

THE PROBLEM IS URGENT

Within the next five to seven years, a large majority of Jewish nonprofit organizations (between 75 percent and 90 percent) will be faced with the daunting challenge of replacing their retiring CEOs and other senior leaders.¹ Furthermore, nearly half of our employees express an interest in leaving the Jewish nonprofit sector in the next five years.²

¹ Leadership Pipelines Initiative. (2014). Cultivating the Next Generation of Leaders for Jewish Nonprofits. New York: Leadership Pipelines Initiative.

² Leading Edge. (2016). Are Jewish Organizations Great Places to Work? Results from Pilot Employee Engagement Survey. New York: Leading Edge, p. 22.



“Many emerging leaders are willing to take on challenging roles, but not in organizations with rigid cultures that lack collaboration, innovation, and autonomy.... Change must happen at the organizational level, and leaders—both the professional leaders and the lay leaders—must take responsibility for promoting that change.”

THE BRIDGESPAN GROUP REPORT, SPRING 2014

Why are Jewish nonprofits struggling to find the leaders they need? In 2014, Leading Edge published the *Cultivating the Next Generation of Leaders for Jewish Nonprofits* report, authored by The Bridgespan Group. This report was based on interviews with 150+ diverse professionals and lay leaders in the Jewish nonprofit sector, as well as extensive research about leadership programs already in place in the Jewish community. The interviews identified two main themes at the core of the leadership pipeline issue:

1. We have not done an adequate job of developing and advancing the talent we already have in the field.
2. Our field, on the whole, does not have the value proposition to attract and retain the leaders we need.

Other issues that may contribute to this problem are the inadequacy of search practices and the rigid cultures of many Jewish organizations that lack collaboration, innovation, and autonomy.

In 2016, Leading Edge conducted a groundbreaking survey of more than 3,400 employees from 55 Jewish nonprofits, which provided an even clearer picture of the challenges our sector faces. This report, entitled *Are Jewish Organizations Great Places to Work?*, revealed that, on the positive side, employees:

- Are generally passionate about their work;
- Believe in the mission of their organization; and
- Are proud of the work they do.

However, many of these same employees:

- Do not receive the kind of training and management support they need;
- Feel stretched thin because there are not enough people to get the work done; and
- Are concerned they do not have adequate opportunities to advance their careers.

As a result, many employees expect to leave the sector within the next five years.³

Another sectorwide concern is the stark gender inequality across the field. Of the 55 organizations that participated in the Leading Edge Employee Engagement Survey:

- 15 organizations are run by female CEOs; and
- 40 organizations are run by male CEOs.

Now consider the demographics of these 55 organizations:

- 70 percent of employees are female; and
- 30 percent of employees are male.

This dramatic inequality is a startling red flag for emerging leaders and top talent.⁴

³ Leading Edge. (2016). *Are Jewish Organizations Great Places to Work? Results from Pilot Employee Engagement Survey*. New York: Leading Edge, p. 14.

⁴ *Ibid.*, p. 12.



LAY LEADERSHIP COMMISSION

The Lay Leadership Commission was created *by* lay leaders *for* lay leaders with the goal to help solve our sector’s leadership pipeline issue.⁵

We are a group of 25 individuals from across the country, invited by Leading Edge to participate in a series of convenings facilitated by The Bridgespan Group. We have experience as donors and lay leaders of local, national, and international organizations. As a group, we serve on more than 120+ boards globally, ranging from local institutions of Jewish life to large national organizations in the general nonprofit sector. *See Appendix A for a full list of Commission members.*

We are passionate about the wisdom of our Jewish tradition and draw from it as a well of inspiration. We feel a deep sense of responsibility to care and provide for our community—from protecting our most vulnerable and educating our children today to innovating the ideas that will shape their tomorrow. We are inspired by our community’s work in the present and the moonshot ideas that will define our future.

Over the years, we have been involved in many executive searches for Jewish organizations. In each one, it was challenging to find stellar professionals with vision and fortitude, and the diverse skill sets needed to take the helm of our most critical organizations.

⁵ The Lay Leadership Commission is one of three key program areas led by Leading Edge. It works in close tandem with the other two: the CEO Onboarding Program, which seeks to ease transitions for new CEOs, maximizing their contributions and increasing retention rates, and the Leading Places to Work Initiative, which helps evaluate and guide Jewish nonprofits in creating exceptional organizational cultures that attract and retain top professional talent.

We have a real problem on our hands, and it is time to think differently. We need to be on the leading edge of this issue. No solution to this seeming “talent cliff” will be reached without the active commitment of the lay leaders and funders who set—and fund—solutions.

To begin this process, we explored the leadership challenge in three main ways:

Awareness: How can we better determine, and understand, the key leadership challenges facing Jewish nonprofits? How do we make others aware of the crisis we face?

Action: Understanding the problem isn’t enough. How do we develop resources and tools lay leaders can use to address our leadership problem?

Aspiration: How big are the possible solutions? How can we radically transform the way our sector operates and positively influence the culture of Jewish organizations?

As lay leaders, we have committed our time and resources to this effort because we know that investing in our organizations and our professionals at all levels is key to enriching our community. **“Capacity-building” and “leadership development” may sound like process issues, but as with the blood pulsing through our bodies and the neurons firing in our brains, these processes are essential to our very health and overall outlook.**

“Because we have such a thin bench, what we end up doing is moving around professionals from one post to another, creating vacancies with each move and no one to fill those roles.”

JEWISH LAY LEADER



Throughout 2015 and 2016, the Lay Leadership Commission gathered for five convenings: two in New York; two in Ohio; and a single, two-day session in Los Angeles. These gatherings focused on developing consensus around which issues are at the core of the problems we are trying to solve, discussing why these areas are problematic, and beginning to think about practical steps we can take to promote progress.

WE IDENTIFIED FOUR KEY THEMES:

- 1. THEME 1: WORKPLACE CULTURE CHANGE.** We have to support our organizations as they try to improve their workplace cultures.
- 2. THEME 2: INVESTMENT IN TALENT.** We have to rethink and reprioritize our investments in leadership and talent.
- 3. THEME 3: LAY-PROFESSIONAL PARTNERSHIPS.** We have to help funders become more effective in their lay leadership roles.
- 4. THEME 4: CEO SUCCESSION AND SEARCHES.** We have to adapt our leadership paradigm and build highly effective search committees.

These four themes emerged loud and clear as we dug into these issues. They are not meant to be the conclusive word on this matter, but rather a starting point for discussion. In the coming months, we will broaden the conversation and invite our peers to wrestle with these themes, shaping them further.

See Appendix B for a full list of ideas that emerged from these convenings.

THEME 1: WORKPLACE CULTURE CHANGE

Support our organizations as they try to improve their workplace cultures.

“If we don’t change the culture of our organizations, then it’s like pouring clean water into dirty—it all becomes dirty.”

JEWISH LAY LEADER

WHAT'S THE PROBLEM?

In order for us to draw in and develop the best talent, our organizations will need to change from the inside out. We will need to engage with our stakeholders and the world differently.

There is extensive research to suggest that a powerful method for creating positive change is the improvement of organizational culture. Lay leaders can play a key role in helping professional leaders create strong, positive workplace cultures over time.

“We need culture change. We need to break out of the past and help organizations evolve.”

JEWISH LAY LEADER

BUT WHAT DOES GREAT WORKPLACE CULTURE MEAN?

In 2015, Leading Edge conducted a literature review that identified five components of a healthy workplace culture, a “leading place to work”:

- 1. TRUSTED LEADERS:** Leading places to work start at the top. Trusted leadership requires buy-in, commitment, and focus from top management and senior leadership to create policies, practices, and procedures that empower employees to thrive. An important component of trust in leaders is that their “inside face” is the same as their “outside face.” In other words, leaders may feel they need to position/posture for the external audience in ways that are at odds with what they do internally. That inconsistency seeds distrust within an organization, and overall consistency is a key element of sowing trust.
- 2. COMMON PURPOSE:** Leading places to work have a clear vision and core values that are regularly communicated, both internally to staff and externally to the communities they serve. Leaders inspire their employees by finding ways to reconnect them to the greater purpose of their work and help them understand how what they do is pivotal to the organization’s overall mission.
- 3. RESPECTED EMPLOYEES:** Leading places to work treat employees with respect so they feel valued and valuable. That respect begins during the hiring process, continues through onboarding and training, and is woven throughout all the interactions that take place between management and staff.
- 4. TALENT DEVELOPMENT:** Leading places to work recognize that professionals crave opportunities to advance their knowledge, skill sets, and abilities. Employees want to feel that their employer invests in them and cares about their future, that there is a plan for their growth and development, and that their advancement is considered important to the organization.
- 5. SALARY AND BENEFITS:** Leading places to work understand that salary and benefits are a foundational element of an employee’s experience in the workplace. These organizations have clear compensation philosophies and methodologies undergirding the roles and responsibilities of their teams. Nonprofit organizations often feel constrained in this area due to tight budgets. Leading places to work find ways to equitably, flexibly, and creatively establish and clearly communicate their compensation and benefits packages.



WHAT CAN WE DO?

There are a number of ways we, as lay leaders, can partner with professional leaders to become “leading places to work.”

First, we must prioritize work culture. Too often, workplace culture is seen as secondary to more important organizational goals. But this should be a top priority for every organization. While this change in focus requires time and money, the benefits are long-lasting and central to the stronger leadership pipeline our community needs.

Second, we need to craft standards and best practices for organizational culture. These standards—the practices, policies, and procedures that lead to effective organizations—apply to boards as well.

A number of us strongly support the creation of a program to elevate and reward best practices in organization building and culture change. Modeled after the “LEED Certification” for environmentally friendly buildings, this program would outline best practices across all aspects of an organization, on both the professional and lay sides.

We believe this “LEED Certification” for Jewish organizations needs to start with boards. We, as lay leaders, have an opportunity to lead the way in this culture change process. We can assess ourselves against board best practices and take steps to make our boards better. In so doing, we can model the kind of culture change that all of our organizations will need to undergo.

A NEXT STEP IN THIS CRITICAL AREA

We will work to define standards and create an assessment tool, similar to the “LEED Certification,” that will focus on best practices in the field. This certification will include standards for all aspects of a healthy organization, on the professional and lay sides. As a first step in this certification, we will determine best practices and an assessment for boards.

THEME 2: INVESTMENT IN TALENT

Rethink and reprioritize our investments in leadership and talent.

“We must look past semantics and invest where investment is needed.”

JEWISH LAY LEADER

WHAT'S THE PROBLEM?

The notion of keeping overhead low has been at the core of the American nonprofit sector since its founding. If we want to invest in a healthy, vibrant sector with a robust talent pipeline and stellar leadership, it is imperative that we address what has come to be called “the overhead myth.” This is the idea that money spent on programs is “good” and money spent on infrastructure and overhead—not directly on programs—is “bad” and should be minimized.

An organization with an overhead rate of 10 percent to 15 percent—meaning at least 85 to 90 cents of every dollar donated goes directly to carrying out the programs and mission of the organization—is the unspoken norm of our trade.

Darren Walker, president of the Ford Foundation, has reflected: “All of us in the nonprofit ecosystem are party to a charade with terrible consequences—what we might call the ‘overhead fiction.’ Simply put, because of this fiction, foundations, governments, and donors force nonprofits to submit proposals that do not include the actual costs of the projects we’re funding.”⁶

It is this very myth that leads to what has been called the nonprofit starvation cycle, a vicious cycle for nonprofits so hungry for decent infrastructure that they can barely function as organizations, let alone serve the people and communities who need their help.⁷

Often this cycle begins with funders’ unrealistic expectations about how much running a nonprofit really costs, and results in nonprofits misrepresenting their costs while skimping on vital systems. Compare this to companies in the private sector. They worry about costs in general but invest in infrastructure and talent to assure long-term success.

The Bridgespan Group has researched what it really costs to run a healthy nonprofit organization. In its recent “Pay What It Takes” analysis, it finds: “Among firms in the S&P 500, for example, consumer staple companies have a median indirect cost rate of 34 percent, whereas information technology

⁶ Darren Walker blog post from November 8, 2015. <https://www.fordfoundation.org/ideas/equal-change-blog/posts/moving-the-ford-foundation-forward/>

⁷ “The Nonprofit Starvation Cycle,” Ann Goggins Gregory and Don Howard. Stanford Social Innovation Review, Fall 2009.

“If we want real talent, we have to pay for it.”

JEWISH LAY LEADER

companies reach 78 percent.”⁸ Unfortunately, an equivalent taxonomy of industry segments for the nonprofit sector does not exist.

As Bridgespan dug deeper into the real rate of overhead across different types of nonprofit organizations, it found that of the 20 nonprofits it surveyed in this research, “indirect costs [an analog term for overhead] made up between 21 percent and 89 percent of direct costs. **The median indirect cost rate... was 40 percent, nearly three times the 15 percent overhead rate that most foundations provide.**”⁹

The HR system that hires and nurtures Google’s army of techies, or the research unit that came up with Apple’s iPhone, or the airline workers who maintain safe planes are all overhead! Indeed, comparable information from the private sector indicates that 30 percent to 70 percent of corporate income statements can be attributed to “overhead.” Moreover, corporate CEOs dedicate 30 percent to 50 percent of their time and focus to cultivating talent within their organizations.¹⁰

The reason this variation matters for us, as we look at leadership in our sector, is that most of the solutions we might consider for strengthening the leadership pipelines are likely to fall in the overhead—not program—bucket.

According to the Leading Edge Employee Engagement Survey findings, an overwhelming majority of employees feel “there are not enough people to get the work done.”¹¹ More people to get the work done is more capacity to get the results we all want. And those salaries, as we define them now, are overhead.

⁸ “Pay What It Takes Philanthropy,” Stanford Social Innovation Review, Eckhart-Queenan, Etzel, and Prasad, 2016. https://ssir.org/up_for_debate/article/pay_what_it_takes_philanthropy

⁹ Ibid.

¹⁰ “The CEO’s Role in Talent Management,” The Economist Intelligence Unit, May 2006.

¹¹ Leading Edge. (2016). Are Jewish Organizations Great Places to Work? Results from Pilot Employee Engagement Survey. New York: Leading Edge, p. 20.



We must look past semantics and invest where investment is needed. We must also develop different language and different metrics for addressing and measuring this area.

As we discussed this issue, we were intrigued by one model working to upend this challenge. The Robin Hood Foundation asks board members to cover the overhead for the organization so that all additional money raised goes directly to programs. We, as funders and board members of organizations, need to do more to ensure our organizations invest in infrastructure and are financially viable.

WHAT CAN WE DO?

The first step in addressing this issue of overhead is urging organizational leaders to take stock of what it actually costs to run each and every program. A key aspect of effective board governance means supporting executives in honestly and transparently reporting all costs associated with providing services to their constituents and investing adequately in building talent.

There needs to be clarity about the actual benefit every dollar spent on building capacity has on an organization's ability to fulfill its mission (e.g., every dollar spent building capacity today saves X number of dollars down the line).

“If we want to invest in a healthy, vibrant sector with a robust talent pipeline and stellar leadership, it is imperative that we address what has come to be called ‘the overhead myth.’”

JEWISH LAY LEADER

Funders can aid in this process by providing general operating support and capacity-building grants to an organization so that capital is freed up to nourish the entire organization. Funders should also consider an increase in the overhead rate they use when supporting an organization.

Our organizations are working to solve the most complex problems facing our community. Smart and capable people are at the heart of these possible solutions. They are the greatest assets that our organizations possess. No matter the size of the grant, let's pay what it takes to give our organizations a chance to get the job done without constantly hemorrhaging staff in the process. Let's remember what we all have seen to be true: The only reliable predictor of a successful grant is the quality of the leadership entrusted with carrying it out.

A NEXT STEP IN THIS CRITICAL AREA

We can't expect our organizations to attract the best and brightest if we don't invest what it takes, and if we don't bring an end to the nonprofit starvation cycle. To that end, Leading Edge will partner with the Jewish Funders Network to:

- Promote this issue to a broader group of funders;
 - Identify concrete tools that better facilitate investment; and
 - Build a new funding dynamic that helps free up capital.
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THEME 3: LAY-PROFESSIONAL PARTNERSHIPS

Help funders become more effective in their lay leadership roles.

“The only way we will change our organizations is through the CEO and the board chair working together in a dancing hevruta.”

JEWISH LAY LEADER

WHAT'S THE PROBLEM?

A healthy lay-professional partnership is the cornerstone of an effective organization. As the Commission dug deeper into the leadership pipeline issue, one thing became clear: To become better partners for professionals, lay leaders need to lead by example. We, too, need support and training.

While we, as lay leaders, are humbled and privileged to serve as board members and funders, none of us was born knowing how to embody our roles. In order to provide effective professional support, lay leadership takes:

- Ongoing commitment;
- Unique leadership skills; and
- A comprehensive knowledge of the sector.

Often in the Jewish nonprofit sector, individuals with capacity and enthusiasm will be called to serve—and quickly thrust into leadership posts with only cursory orientation. There's a learning curve involved in the responsibilities and intricacies of new lay leadership roles.

Current lay leadership development programs—such as the Wexner Heritage Program or the Jewish Federations of North America Young Leadership Cabinet—provide lay leaders with deep professional insights and powerful leadership tools. But there's an opportunity to build upon these programs and give lay leaders additional opportunities to develop skills, understand their specific roles and responsibilities, and strengthen their relationship with professionals so organizations can thrive.

“I had a checkbook and a pulse, and now I'm board chair.”

JEWISH LAY LEADER



“In our community, lay leaders are telling doctors how to perform heart surgery.”

JEWISH LAY LEADER

WHAT CAN WE DO?

We, as board members, need to better understand the key responsibilities, the hard skills, and the core competencies that come with lay leadership positions. We need to better prepare for these roles and hold ourselves accountable to best practices that enable lay and professional leaders to maximize their potential.

We demand the highest standards from our professionals, but we often don't empower them to meet those standards. No capable professional wants to be micromanaged; it's disempowering. And when professionals feel disempowered, we can't attract (or retain) the best of the best. And when we can't attract the best of the best, we disempower our professionals. It turns into a vicious cycle.

We must further hold the CEOs of our organizations accountable for prioritizing leadership development. We should work directly with them to ensure they're getting the requisite resources and support needed to develop and thrive in their critical position at the top of an organization's chain of command.

Funders, too, can strengthen the organizations they fund. Effective talent development requires capacity investments in recruiting, training, and performance measurement. Yet nonprofits typically receive little or no funding earmarked for talent development.

A NEXT STEP IN THIS CRITICAL AREA

We will explore ways to support lay leaders in strengthening the lay-professional partnership and in enhancing board effectiveness. This may include:

- Crafting a “code of conduct” for lay leaders’ role vis-à-vis professionals;
 - Creating an onboarding program;
 - Providing board member mentorships;
 - Organizing select board training sessions; and
 - Scheduling convenings to share ideas and best practices.
-

“Ultimately, the role of an effective board member is to stay in their lane.”

JEWISH LAY LEADER



THEME 4: CEO SUCCESSION AND SEARCH

Adapt our leadership paradigm and build highly effective search committees.

“A great leader makes sure she/he has a great successor.”

JEWISH LAY LEADER

WHAT'S THE PROBLEM?

A key responsibility of any board is hiring (and managing) a senior executive. But all too often, we look for one charismatic leader who possesses all the necessary skills of a CEO. More than that, we expect this individual to single-handedly transform an organization.

This paradigm needs to change.

In today's complex world, organizations must constantly adapt to meet rapidly changing needs. It's time we recognize that, while a strong leader needs to be in place, a diverse leadership team with complementary strengths can also effect lasting change within an organization.

We see examples of this leadership model in Jewish tradition. It wasn't just Moses who led our people. It was also Aaron. And Miriam. And others. We need a similar leadership paradigm in the Jewish nonprofit sector that:

- Embraces individual differences (such as gender, age, and work style); and
- Recognizes the need for CEOs to have a strong lay-professional team behind them.

Like the overall U.S. nonprofit sector, the Jewish nonprofit sector is primarily composed of large and small, sub-scale institutions. Many of them have important missions, but all of them need to consider what it takes to select, transition, and support their leaders. Boards need to link their strategic vision to tangible, actionable, and attainable expectations for new executives.

There's a great deal of evidence that many boards fail to onboard new leaders successfully. Nearly half (46 percent) of the 214 CEOs who responded to a recent Bridgespan Group survey reported getting little or no help from their boards when first taking on their position. As one executive director put it, "The board essentially said, 'We're glad you're here. Here are the keys. We're tired.'"

We also know (from personal experience) that search committees and recruiting firms tend to "reinvent the wheel" with each new search committee.



“When looking for CEOs, we are looking for unicorns.”

JEWISH LAY LEADER

Executive transitions are a time of great opportunity and risk for organizations. Before a new leader is ever named, months—if not years—of work should go into the search process.

With our collective experience, we can help one another through these critical times.

WHAT CAN WE DO?

Helping a new leader achieve success starts well before that person is hired.¹² Board members must be clear about where the organization is headed before recruiting begins. Rather than thinking about next week or next month, they should be planning for three to five years down the road. They should be addressing potential growth and restructuring needs, and discussing new programs and/or strategies.

Working backward from these goals, a new leader can be identified based upon the skills and attributes needed to manifest organizational destiny. These future visions can also be discussed with final candidates to ascertain their best ideas and clarify what’s expected of them and what challenges they might face.

¹² “The Nonprofit Board’s Role in Onboarding and Supporting a New CEO,” The Bridgespan Group. Lisa Walsh, Libbie Landles-Cobb, & Leah Karlins (2015).

Board members can help set initial priorities, without overly restricting the scope of the new leader. They can articulate their vision for how the board and new CEO will work together, and invest time in orienting the new leader to the organization.

Organizations like BoardSource and other specialized consultants are available to ably support nonprofits in these critical moments. In addition, many of us in the community of lay leaders have served on search committees, and can help one another as we undergo CEO search processes.

A NEXT STEP IN THIS CRITICAL AREA

Leading Edge will work with partners to gather the intelligence and wisdom of our peers into a clear, specific toolkit for lay leaders undergoing CEO transition periods. By creating a suite of resources and peer-to-peer support for search committees, we hope to smooth these transitions, infuse succession best practices into our sector, and better position organizations for success.



“You have to determine what you want: A manager? A leader? A change agent? A fundraiser? Establishing what skills you are looking for is key. If you don’t get the needs right, then you won’t get the search right.”

JEWISH LAY LEADER

CALL TO ACTION

“Leadership development is a long play. In order to build a pipeline, I am a big believer in the ‘ships’—mentorships, scholarships, internships.”

JEWISH LAY LEADER

CALL TO ACTION

In 2015, we brought together a small group of lay leaders to figure out how we might solve the leadership pipeline challenges facing the Jewish nonprofit sector. The result of their collective wisdom, the Lay Leadership Commission for Professional Recruitment & Retention, has given us a wealth of insights.

But there's still much work to be done. And we need your help.

The ideas put forth by the Commission are just a beginning—nodes in a web of ideas that reinforce one another. To truly transform our sector, we need to bend the trajectory of our current leadership pipeline in four ways.

1. We must improve the workplace culture within our organizations by first creating a board assessment tool based on best practices.
2. We must reprioritize our investment in leadership and talent by promoting this issue, identifying concrete tools, and building a new funding dynamic.
3. We must help lay leaders become more effective in their roles by crafting a 'code of conduct,' and supporting them through mentorship and coaching.
4. We must build adaptive, highly effective search committees by creating a suite of resources to help smooth leadership transitions and infuse best practices into the process.

Moving forward, there will be opportunities for other lay leaders from across the country to participate in the conversation. We cannot think of a more urgent need, a more pressing call, than investing in leaders who will ensure our nonprofit organizations—and our communities—thrive.

We must become advocates. We must become amplifiers. We must lead.

JOIN US.

APPENDICES



APPENDIX A: LAY LEADERSHIP COMMISSION

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Montreal, Canada

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Elisa Sprungen Bildner
Montclair, NJ

Laurie Blitzer
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Akron, OH

Robb Lippitt
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Wendy Platt Newberger
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NATIONAL LEADERSHIP

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New York, NY
National Co-Chair,
Lay Leadership Commission

Andrés Spokoiny
New York, NY
National Co-Chair,
Lay Leadership Commission

FACILITATOR

Susan Wolf Ditkoff
The Bridgespan Group

APPENDIX B: OTHER RELATED THEMES FROM DISCUSSION

Here is an inventory of ideas and other key themes that bubbled up during the Commission convenings:

- **We need to incorporate a Jewish lens into the work of transforming our field.** The common thread running through our community is (and the soul of our work emanates from) our Jewish values. We need to tap into that core and draw inspiration from our tradition for this work. How might our Jewish identities, cultures, and values be woven into our strategy and actions as we (1) recruit and retain new talent, and (2) transform individual workplace cultures in the field?
- **We need to address the compensation and gender inequity in our field.** Compensation of the CEO and down has been identified as a key barrier to our progress and effectiveness as a field. We need more transparency around compensation practices in the Jewish nonprofit sector, and we need to think creatively about benefits we offer to professionals in our field (e.g., affordable housing loans to staff, or a free Jewish day school education).
- **We need to create concrete strategies and tools to help Jewish organizations change their cultures and nurture talent.**
 - Create more prestigious career-entry and advancement opportunities, such as:
 - A YPO-like program to recognize top achievers;
 - Mid-career certification programs; and
 - Competitive internship and fellowship programs that perhaps rotate among different types of Jewish organizations (and rival programs in other sectors).
 - Create a consulting firm of organizational change experts to help Jewish nonprofits change their cultures (i.e. JCamp180 for organizational change).
 - Create a “funder pledge” that outlines a set of talent-related standards funders commit to in their investments.
 - Create a prestigious award that publicly recognizes and celebrates outstanding Jewish professionals (akin to the Covenant Awards, or MacArthur Genius Awards).



“A healthy lay-professional partnership is key. It requires parallel development, intertwined. Professional development for both is critical”

JEWISH LAY LEADER



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ABOUT LEADING EDGE

Founded in 2014, Leading Edge is a donor collaborative of foundations and federations that seeks to influence, inspire, and enable dramatic change in attracting, developing, and retaining top talent so that Jewish organizations may thrive.

www.LeadingEdge.org

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