Scaling Pathways

Insights from the field on unlocking impact at scale

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PEOPLE MATTER:

EVOLVING TALENT TO DRIVE IMPACT AT SCALE

Innovation Investment Alliance, Skoll Foundation, and CASE at Duke

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ABOUT THE SCALING PATHWAYS SERIES

A Google search for "social enterprise" calls up over 400 million links. Indeed, there are hundreds of thousands of new ideas for mission-driven ventures emerging around the world. And there are some notable social enterprise organizations that have started to solve social and environmental problems at scale. What can we learn from the experiences of these organizations? Their hard-won lessons can benefit other social enterprises, funders, and the surrounding ecosystem.

Social enterprises often work on problems that are deeply entrenched, depend on cross-sector collaboration, and require multiple pathways to scale their impact and create systems-level change. The road to impact at scale is a nonlinear, complicated one. Along the way, the organizations have to overcome many challenges and roadblocks, including the following:

Financing for Scale: Determining which financing strategies best support the plan for impact at scale.

Government Partnerships: Effectively cultivating and managing partnerships with government and other actors in order to increase impact.

Talent: Defining the different talent strategies needed to identify, train, and retain the human capital needed for scale.

Data: Understanding how to best use data to drive performance and impact management and decision-making as they scale.

The **Scaling Pathways** *Theme Studies Series* dives into each of these topics in depth, bringing to light lessons learned by successful social enterprises that have navigated these challenges on the road to scaled impact. The broader *Scaling Pathways Series* also includes Pivoting to Impact, highlighting critical lessons learned across geographies and sectors for enterprises and funders trying to unlock impact at scale; in-depth Case Studies, chronicling individual social enterprises' scaling journeys; and Scaling Snapshots, providing a brief look at social enterprises' scaling journeys. Find the full series at **www.ScalingPathways.com**.

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There are many topics to explore in managing talent for scale, so we have broken them out into a **series of Strategy Memos**. Read the paper end-to-end, or pick-and-choose the topics most relevant to you at the time.

It's your adventure, so you navigate!

INTRODUCTION
Why Talent Matters For Impact at Scale

Talent. One of the most universal challenges in running successful organizations and also one of the most significant investments. We know that without the right people in place, our missions are not achieved, and our impact does not scale. And yet talent is often misunderstood, overlooked, and under-resourced.

Compounding this challenge is the fact that managing talent is one of the things that can actually get harder—not easier—as you scale. Respondents to a 2016 survey of social enterprises by Rippleworks cited fundraising and access to talent as the two biggest challenges they face.[2] But while the challenge of fundraising tends to decrease over time, finding and keeping the right talent can become even more difficult. For later-stage enterprises, talent eclipsed fundraising as the top challenge. Similarly, when we surveyed over 100 social enterprises from the Skoll Foundation and USAID's Development Innovation Ventures portfolios, talent was one of the top challenges cited—including by those who have already reached significant impact at scale. How can social enterprises unlock the potential of human capital to drive impact at scale?

There is a plethora of resources available on the basic building blocks of talent—how to recruit, hire, develop, and retain—which we curate and cite throughout this report. However, resources specifically focused on the challenges of managing talent during scaling are largely missing. During the critical period of scale, the pace of change can be intense, talent needs evolve rapidly, and scaling strategies become more complex—all of which have significant implications for talent. If a social enterprise is pursuing a growth or expansion strategy, its talent needs will be very different than those of a social enterprise that is shifting into a partnership strategy or one that is focaused on driving regulatory change. Developing talent for scale is not a singular process; rather, there are many stages of development that will require different numbers and types of employees and partners, organized in different ways.

> "We're nothing but our people. If we were created to succeed on a mission, the people who come into the organization are everything, truly. We can focus on process; we can focus on target; we can focus on supply chains. But if we are going to succeed in upending the unjust equilibrium for which we were founded, then our team has to feel it—to feel connected to each other and to have that shared sense of purpose, from day one."[1]
>
> ELLA GUDWIN,
> CEO, VisionSpring

Luckily, the field now includes social enterprises that have been driving to scaled impact for decades and have learned valuable lessons about navigating the challenges of human capital along the way. [3] In this paper, we outline strategies for effectively managing talent and include tactical advice from a sample of leading social enterprises (see Appendix A: Project Overview). Of course, talent is not simple to define. In the context of this paper, we take a broad view of talent as the people whose skills, knowledge, and contributions propel the impact of the organization. The organizations we interviewed (see Appendix B: Featured Organizations) were clear that the talent they needed to scale included a broad range of actors: internal staff, board, volunteers, and other key partners. They also were clear that the key to effectively managing talent is not only hiring and training but also creating the appropriate structures and culture to empower those people to succeed. While some of the advice in this report may seem obvious, our interviewees emphasized that even the most obvious steps are sometimes skipped—with great consequence—and so are worth repeating.

As Maryana Iskander, CEO of Harambee Youth Employment Accelerator, asked, **"Everything starts and ends with people. What can your people imagine and what can they do?"** Read on to learn how we can unlock the potential of human capital to drive impact at scale.

EXECUTIVE SUMMARY

"How much time does your leadership team spend on culture and people? Are these topics on the agenda of your management meetings?" These are questions that Maryana Iskander, CEO of Harambee Youth Employment Accelerator, encourages scaling organizations to ask themselves. She strongly believes that the work of defining culture and growing people ultimately drives every other performance metric in the organization—from strategy and partnerships to operational success and delivery.

But what are the key talent-related topics and questions that management teams need to add to the agenda as they work to achieve impact at scale? Hint: they are not the same ones that the organization tackled during start-up and validation.

As we spoke with social enterprise leaders, we found that their stories and advice on this talent evolution fell into three major categories:

1. Build the Team: Define and Fill Key Roles for Scale.

Assembling the right mix of talent might mean evolving your team—shifting to more differentiated roles from a place where everyone wears multiple hats. It could mean hiring more local and diverse talent and/or leveraging partners and volunteers to extend your own team's capacity. Whichever avenues you pursue, assembling the right team is critical to scale your impact effectively.

2. Create the Infrastructure: Evolve Systems and Structures to Empower Talent.

Even with the best people and partners in place, you will need more organizational structures and systems to manage and empower that talent and help it succeed. Do you centralize or decentralize control and decision-making? Do you evolve your board? How do you manage dispersed teams—whether those teams are internal or external to the organization?

3. Power the Journey: Cultivate, Motivate, and Retain Your Talent.

As you and your team navigate the bumpy road to scale, it's critical to cultivate and motivate your talent to evolve with you and stay the journey. By intentionally updating and formalizing talent development, incentives, and culture, you can help your talent stay motivated and driven toward impact. Interviewees stressed that although culture is the underlying connective tissue that drives people, impact, and operations, it is too often ignored or poorly managed.

Within each of these categories, the social enterprises we interviewed shared tactical strategies they have applied in their work—or learned through the wisdom of hindsight. We highlight these insights in a series of standalone **Strategy Memos,** each of which calls out tactics, tips, and advice from the field to help inform your own enterprise's discussion and decisions.

This paper also provides **key implications for funders** (see page 51) to help those critical stakeholders identify ways in which they can support social enterprises' talent strategy to accelerate impact at scale. We acknowledge that this *People Matter: Evolving Talent to Drive Impact at Scale* theme study in the Scaling Pathways series is yet another chapter in a story that will continue to be written by the intense experimentation that undergirds the global field of social entrepreneurship. We look forward to sharing what enterprises are learning every day in the trenches in forms that make the lessons more easily consumed, tested, and refined.

Build the Team: Define and Fill Key Roles for Scale

Assembling the right mix of talent might mean evolving your team— shifting to more differentiated roles from a place where everyone wears multiple hats. It could mean hiring more local and diverse talent and/or leveraging partners and volunteers to extend your own team's capacity. Whichever avenues you pursue, assembling the right team is critical to scale your impact effectively.

NOTABLE QUOTABLE

"Organizations tend not to think rigorously enough about talent. You think you know it, but you don't; you often do things by feel rather than by a process of rigor. This can be OK in early stages, but as you're growing you need to put in more discipline—and that usually happens too late."

KEN HIMMELMAN
formerly of Health Leads

This section includes Strategy Memos to inform discussion on each of the strategies (and accompanying key questions) listed below.

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SHIFT FROM A LEAN TEAM OF DOERS TO DIFFERENTIATED ROLES

"When you are smaller or in an earlier stage, individual team members can effectively carry multiple roles. But as you attempt to scale your impact, you have to bifurcate roles thoughtfully in order to achieve an increasingly complex mission."

This quote from Carla Javits, President and CEO of REDF, a venture philanthropy supporting employment social enterprises, illustrates a common experience across many organizations. In earlier stages, smart generalists who can wear multiple hats and learn quickly are the fuel that drives the pioneering work of the organization. But as the work gets more complex—including nuanced scaling pathways,[4] larger teams, and multiple partners—differentiated roles or teams become necessary. But how should social enterprises differentiate roles?

KEY QUESTION

How can you evolve the roles and responsibilities within your organization to align with your phase of growth and scale?

ADVICE FROM THE FIELD

Assess the specific roles your business model and scaling pathways require.

Social enterprise VisionSpring started as a "lean team of doers," but as it scaled and experimented with different business models[5] the need for more depth of expertise in certain key areas became clear. As its work took it deeper into sales to multiple customer bases (e.g., direct to consumer, business to business), engaging more experienced sales and marketing professionals was critical. As it recognized the need for real time performance monitoring and operational insights across geographically dispersed teams, it added a director of technology. And, as it worked to build additional evidence to guide the work and help secure funding, it shifted to in-house monitoring and evaluation capacity and, importantly, formalizing arrangements with research partners.

In another example, Living Goods, a social enterprise working to transform community health, determined that one avenue to scale (beyond its direct program implementation) was to influence community health practice globally. In order to share its knowledge on quality community health care provision with global stakeholders (including USAID, the World Health Organization, and The Global Fund), Living Goods created a Director of Advocacy position and built out its government relations/advocacy teams in-country to leverage local knowledge and connections.[6]

OPERATIONS	59%
PROGRAMS	56%
FINANCIAL	48%
DEVELOPMENT	37%
PARTNERSHIP	22%
PEOPLE	19%
EVALUATION	19%
TECHNOLOGY	11%
STRATEGY	7%
MARKETING	0%
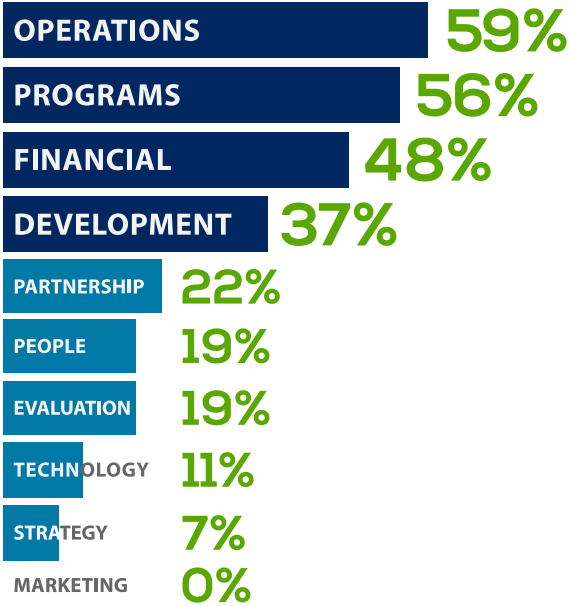
Most Important Positions to Drive Impact at Scale (aside from CEO/ED)

Nearly 60 percent of respondents to a Scaling Pathways talent survey said that the operations lead (e.g. COO or Director of Operations) is in the top three most critical senior leadership positions (aside from CEO/ED) for an organization working to scale its impact. Other top positions for scale, according to respondents, are those leading programs, finance, and development.[7]

Don't forget about infrastructure roles.

Gary Cohen, President and Founder of Health Care Without Harm (HCWH), reflected on his organization's differentiation of roles and cautioned against over-investing in programmatic reach and not enough in infrastructure. Cohen said if he could do it again, he would invest earlier in senior development roles (especially related to stewarding high net worth individuals to maximize flexible funding and help support overhead). He would also hire earlier to support data, metrics, and learning—roles he sees as critical to scaling the impact of HCWH's work promoting environmental health and justice. Lucy Lake, CEO of girls' education social enterprise CAMFED, agreed, noting that an important early hire was a Head of IT Innovation (i.e., Chief Technology Officer), given the crucial role of effective systems in ensuring cooperation among teams and in reinforcing accountability. In CAMFED's case, the process of tracking entitlements to individual beneficiaries is core to its model, so this role was critical as CAMFED scaled from supporting thousands to hundreds of thousands of girls.

Evolve founder's role.

The shift from "doer" to a more differentiated role is probably most stark for the founder. Research finds that, despite the vision, determination, and charisma of founders, some may lack the CEO-type skills—or desire—required to lead a growing and/or scaling organization.[8] Organizations (including their boards) must work with the founder to define the best role for her/him over time; such roles could include a more externally-focused position working on marketing and/or fundraising, a board seat to bring institutional knowledge and mission consistency, or perhaps no formal role at all. In any case, the founder's and new leader's personalities and interests must be taken into account and roles communicated clearly both internally and externally.

After leading VisionSpring for eight years, Founder Jordan Kassalow recognized that his skills and passions were more aligned to an external-facing role that would allow him to continue to champion VisionSpring while also working at a systems level to mobilize new resources, attention, and advocacy toward the problem VisionSpring was trying to solve. He has remained on VisionSpring's Board of Directors, continues to serve as a close advisor to the CEO, and has co-founded the EYElliance, a coalition of public, private, NGO partners, and stakeholders that collaborate to address the global unmet need for eyeglasses. For Alexandra Quinn, the first non-founder CEO of Health Leads, the founder transitions required the organization to reconsider how change management is handled. She explained that significant changes earlier in an organization's life are often propelled by the charisma of the founder—and people generally follow. When new leadership comes in, the organization must develop systems to manage change and retain dynamism in an efficient and effective way.

Build vs Buy: Flex capacity through outsourcing.

As you evolve your team, you may identify responsibilities, areas of expertise, or skill sets that you need only sporadically or that you do not have the organizational infrastructure to support. Therefore, in addition to leveraging outside partners (see the Leverage Capacity of External Partners strategy memo on page 25), you may want to outsource or contract out to build flexible capacity instead of creating in-house roles.

Root Capital, a social enterprise investing in and supporting small agriculture businesses, recognized that it did not need a full-time IT staff member and that any one person would be unlikely to have the range of skills the organization may need. As a result, Root Capital decided to contract with an IT firm so that it could pay for only the hours it needed, access a broader range of knowledge, and be privy to changing best practices in the field. Foundation for Ecological Security (FES), which powers local communities to drive conservation efforts, has been adamant that it should do only the things to which it can add unique value and is well-positioned to do. This philosophy has led it to contracting with other organizations for services, such as improving its training programs and facilities and creating an operational plan for scaling. However, FES CEO Jagdeesh Rao warns organizations not to underestimate the time it takes to scope and manage contracts and the amount of funding required to do so. He also notes the positive spillover effect, though, in which outsourcing helps build the resources for the entire ecosystem rather than for FES alone.

DO...	DON'T...
… **evolve roles** and bifurcate when necessary—to align with increased complexity and scaling strategies.	… **forget about infrastructure roles** such as technology, development, and M&E.
… **pay attention to when it is time for the founder to shift his/her role**, and carefully delineate and communicate new role internally and externally.	… **lose the founder's knowledge**, which might mean a new role on the board or a less formal advisory role with new leadership.
… **consider flexing capacity** through "buying" rather than "building."	

HIRE FOR TOMORROW… AND PREPARE TO LOSE PEOPLE ALONG THE WAY

As organizations work to scale their impact, talent needs will rapidly evolve. The most effective social enterprises will plan ahead of their talent needs so that talent drives them faster and more effectively towards scale, versus lagging behind.

On the other hand, as scaling strategies evolve, staff who were previously well-aligned may no longer be the right people to drive the work going forward. Navigating "hiring ahead" and letting go is a delicate balance for any scaling social enterprise.

KEY QUESTION

How can you ensure you have the right talent at the right time to power impact at scale?

ADVICE FROM THE FIELD

Assess gaps between current and future talent needs.

Health Leads CEO Alexandra Quinn recommended that senior leadership commit to taking stock of existing talent, envisioning future talent needs, and determining gaps. In Health Leads' first major pivot (the "Proof Plan"), the organization realized that it needed to professionalize its program to be able to work more closely with health systems. Health Leads recognized that this meant having staff that could manage volunteers, design tools and trainings, and have credibility with the health systems partners--which neccesitated bringing in professionals with clinical and case management experience to execute the work and manage Health Leads' existing cadre of college-age volunteers. Several years later, Health Leads embarked upon its "Grow and Catalyze Plan," which moved the organization to a systems change focus, including enabling health systems to design their own interventions. In this case, the organization did not spend adequate time envisioning future talent needs, which would require staff to shift from "doing" to enabling others and would demand more traditional business skills from different sectors. This oversight resulted in a mismatch between talent and strategy which required multiple dramatic shifts throughout the plan, including layoffs at several junctures. Quinn reflected, "If I could, I would go back to that period and redesign it. I'd do more explicit planning on talent and learning, I'd be more explicit with new people coming in about our value of 'constant and courageous learning,' and I would clearly articulate our foremost focus on health equity—meaning that DEI (diversity, equity, and inclusion) is a critical part of how we operate. The good news is we get to take that learning to the next chapter."

RESOURCE HIGHLIGHT
A Competency Framework to Define Talent Needs

Boys & Girls Clubs of America found the Korn Ferry Leadership Architect—a global framework around the skills, competencies, and experiences that drive performance and impact—to be key in developing "success profiles" for each major position it was creating. See Korn Ferry's Define. Distill. Employ.: Adopting 21st-century competencies for high-impact talent and Leadership Architect™ Legacy Competency Mapping for more.

Hire for two to three years into the future.

By assessing the gap between existing talent and future needs, social ventures can more effectively plan for and hire the talent needs of tomorrow to help drive the scaling curve. As David Ellis, the CEO of EthioChicken, an agriculture social venture in Ethiopia, explained, "I see a lot of entrepreneurs hiring people who are a fit for the organization as it exists in that moment. Instead I think they should be asking themselves—can the organization grow into this person within the next 2-3 years? You don't want to get into a situation where every 9-12 months you've completely outgrown the capabilities of the person you've brought on."[9] Similarly, Ella Gudwin of VisionSpring spoke of hiring staff that are "great for right now, but we will quickly outgrow them." She concludes that **"the real hire is the person who wants to stretch and grow—particularly for the director-level positions who are always on the leading edge of our growth curve."** Admittedly, this strategy generally requires availability of capital, but the concept can still inform the hiring process, even in the absence of additional capital.

Be clear with candidates about current and future needs.

Gudwin also spoke of hiring people she believed the organization would need in two years, hoping that they could "ride the journey" until that time. But the reality was that sometimes experienced candidates got excited about the social mission and their potential to make an impact—but had not come to terms with the real patience and basic foundation-laying work (e.g., setting up systems and whole departments) that must occur before the fun and transformational work starts to accelerate. Alden Zecha, co-founder of Sproxil, had similar stories to share. In one example, Sproxil attempted to hire ahead by bringing on a sales lead with experience managing effective sales teams. However, in the short term, Sproxil needed that person to work without the support of a team and recognized too late that this was a mismatch of skills and desires. Zecha's lesson learned was that during the interview process Sproxil should have been more transparent about the short-term and long-term needs to help both parties determine whether the candidate had both the skills for the short-term work that still needed to be completed as well as the willingness to wait for and grow into the more complex longer-term work.

Recognize when you evolve past long-term staff.

Many interviewees expressed surprise at how much more challenging letting go of people can become at the scaling stage, as it often involves longer-term staff who are not able to keep up with the pace of work or do not fit with shifting scaling strategies. Leaders shared that this process can be even more "painful" because, as Alexandra Quinn of Health Leads shared, "most people doing this work are highly empathetic" and most have a deep commitment to the social mission of the organization.

However, Health Leads has recognized that while its ultimate focus on social determinants of health will remain the same, how it achieves that vision and who it achieves it with will continue to change as the market changes. Given this reality, the team needs to be comfortable with the idea of different talent needs at different times—although these shifts take time and are not easy.

Resource Highlight
FIRE FAST

At any stage, organizations may have mis-hires (i.e., wrong skill set and/or poor mission fit) and the chances of this may increase as organizations try to hire ahead. When this occurs, entrepreneurs warn, it is important to acknowledge poor fit as soon as possible so that top performers stay motivated and so that time, resources, and precious employee slots are allocated to top people rather than underperformers. Gudwin articulated the importance—and challenge—of "firing fast" in mission-driven organizations:

"The things we're trying to accomplish are just too big and too important. Sometimes we can coach people who are struggling in their roles and sometimes we just have to cut our losses. It's hard when people are committed to the mission but are not effective. There's a tension there. We want to be human and kind and understanding, but we also need to be purposeful and keep moving; we have important work to do."

The Management Center, an organization dedicated to providing effective management resources for social change organizations, provides additional tools to support leaders in addressing employee performance problems, including termination: **www. managementcenter.org/tools/ performance-problems**

As Quinn noted, "Not all employees can make the shift—some because there are skills that can't transfer and some because of the emotional toll of shifting away from a model in which they are deeply invested. These shifts require many conversations—and 'people managers' skilled to help navigate the individual journeys of the staff—and thus take considerable time." Health Leads has become better at communicating transparently about changing skill set needs and makes an effort to bring its people along through development and mentoring as it pivots.

Zecha also talked about the changing needs of talent as Sproxil scaled, including a story about Sproxil's original CTO, who was an excellent employee and well-suited to be a solo manager of Sproxil's early technology needs. However, as Sproxil scaled and grew to a four-person IT team, it needed someone who was more comfortable delegating and managing a team. It became clear that—despite excellent work from the CTO—Sproxil had evolved past his strengths and interests and needed to bring on new leadership to play the CTO role.

NOTABLE QUOTABLE

"During one of our strategic shifts, a staff member said, 'You hired me as a ballerina and now want me to become a basketball player.'"

ALEXANDRA QUINN
CEO of Health Leads

Exit staff kindly.

For mission-driven organizations where culture and commitment to mission is so integral, interviewees spoke about the importance of taking the time to celebrate past contributions, being transparent about staffing changes, and helping staff who are no longer a fit make a positive exit. For Health Leads, creating a positive and dignified exit can look like celebrating departing staff's contributions in weekly newsletters, saying goodbye with a celebration of the staff member's choosing, and supporting the staff with severance packages and coaching following the exit.

DO...	DON'T...
… **assess skill and experience gaps** that will make scaling goals harder to achieve, looking 2-3 years to the future.	… **hold on to legacy staff too long**. Many staff can evolve with your scaling goals, but sometimes it is critical to help staff exit so that new skills aligned with future strategy can come on board.
… **be clear with new hires about the changing nature of the position**—both the immediate role and the role and organization you hope to grow into, so they prepare to "ride the journey" with you.	… **hide behind exits**. Be transparent with the individual and the rest of the team about why changes are being made, and celebrate the contributions that have helped get your enterprise to where it is today.

FIND AND RECRUIT LOCAL TALENT TO DRIVE AND SUPPORT SCALE

The availability of "local talent"—generally discussed as talent that is local to the market in which the work occurs— is cited as a challenge for social enterprises throughout all stages. The challenge exists for enterprises with international operations and also for enterprises operating locally within one country but expanding into new regions.

In Rippleworks' 2016 survey, one in five social entrepreneurs cited the limited supply of local talent as their top hiring challenge (second only to not having sufficient funding to attract top talent and compete with more established employers). [10] *This perception is generally based on challenges in matching needed skill sets with existing skill sets of the local talent market, the stiff competition for highly skilled local talent (especially with deep-pocketed multinational corporations), and the challenge for ventures that are not local to an area in navigating recruitment and hiring in an unfamiliar setting.*

While some social enterprises seek to engage local talent simply as a way to staff the work, many others see engaging local talent as much more integral to their ability to achieve impact at scale. Local talent bring a deeper and more nuanced understanding of the local ecosystem, culture, and appropriate solutions; may have existing relationships to leverage; have inherent credibility due to 'insider status;' and can help drive the sustainability of a solution. While engaging local talent is an important factor to address throughout an enterprise's lifecycle, the challenges during scale are often a bit different. During scale, enterprises who have been engaging local talent need to consider how to include this talent pool in the organization's leadership pipeline (i.e., transitioning local staff to leadership roles), expand methods of recruitment and hiring to increase local footprints, and formalize commitment to talent development.

KEY QUESTION

How can you effectively engage and develop local talent to support and drive impact at scale?

ADVICE FROM THE FIELD

Don't be limited in your thinking of who is right for the job.

A skill set mismatch and competition for skilled talent are often cited as key challenges in finding local talent. But, as journalist Donna Bryson points out in a 2013 Stanford Social Innovation Review article, the obstacles also include "shaking off entrenched assumptions and institutional cultures." [11] Social enterprise Harambee Youth Employment Accelerator works to tackle these assumptions and cultures around unemployed youth in particular, as it fundamentally believes that "**talent takes many shapes, and people have the potential to do things they haven't necessarily been trained for or done before.**" To connect the significant population of unemployed youth with entry-level jobs, Harambee helps employers make shifts in their assumptions and operations to effectively engage these high-potential youth. These shifts, as listed below, are also relevant to most any enterprise seeking entry-level talent in an emerging market.

PLEASE NOTE

While this section speaks primarily to the recruitment and development of local talent, the extent to which an organization's culture empowers this talent's voice and provides an inclusive environment is inextricably linked. Engaging local talent can be connected to an organization's effort to drive diversity, equity, and inclusion (DEI), and thus we **recommend also reading the DEI strategy memo on page 17** for this perspective.

1. **Create hiring processes to judge a young person's capability**, rather than considering only their prior work experience and educational qualifications;

2. **Adopt new tools for hiring that can judge future potential to do the job** (such as assessments to measure learning potential), instead of relying solely on school-based knowledge (i.e., numeracy and literacy tests that judge only the quality of previous education);

3. **Take innovative approaches to create more inclusive workplaces** and break down barriers to retention (like providing an advance on first paycheck so a young person who has no income can afford transport for the first month of work until the first paycheck); and

4. Ultimately, **create the evidence base to confirm that there is value in hiring youth** with no prior work experience and thereby widening the available talent pool.

Beyond entry level positions, scale is also a time when new leadership positions are established and when organizations need to double-down on building a leadership pipeline. But many organizations find that even if they have successfully hired local talent for more junior positions, their leadership is still over-represented with ex-patriates. Paul Knox Clarke of the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP) points out that many aid and development organizations also make assumptions about the profile for leadership positions that disadvantage host country nationals. "If you have the white man's idea of leadership, it's not surprising that you keep getting white, male leaders," he says. "Other cultures might bring more collaborative ideas."[12]

Case in Point: **PRIORITIZING LOCAL TALENT AT ALL LEVELS.**

One Acre Fund, which supplies smallholder farmers with the capital and support needed to overcome poverty and hunger, recognizes that local talent brings deep local knowledge, long-term commitment to the farmers they serve, and an intrinsic understanding of appropriate agricultural solutions for the context and client base. At the time of writing, One Acre Fund employed more than 4,000 full-time field staff (roughly 80 percent of the organization's total staff), hired directly from the rural communities that they serve. It recognizes, however, that relying on its U.S. networks for hiring in its startup days has led to an overrepresentation of international staff in leadership roles at the organization. Today, it is a top priority of the organization to hire and develop "talented African leaders who will guide the next phase of our organizational growth" and in 2018, 26 of 30 hires for management positions in Africa were African nationals. This journey has required a dual-focus on different hiring practices alongside professional development for existing local talent.[13,14]

Invest in developing local talent to build leadership pipeline and drive scale.

CAMFED and Harambee have both built their models to create and execute solutions driven by those communities who will ultimately benefit. CAMFED knows that the most successful and sustainable approaches to improve girls' educational opportunities come from the communities themselves, so it prioritizes hiring alumni of the program (who are from those communities) to paid staff positions and developing them as future leaders. CAMFED sees its alumni as the individuals who are best-positioned for roles that shape the culture and leadership of the organization. As of early 2019, nearly 40 percent of CAMFED staff are former beneficiaries, and CAMFED's offices in Africa are staffed entirely by nationals of those countries. Harambee has a similar vision and, given its core mission of solving youth unemployment, it acts as a case in point for hiring and developing that target population. The organization maintains that talent can take many shapes and that people have the potential to do things for which they have not necessarily been trained—and thus they operate a robust talent management and development strategy.

Proximity Designs (PD), based in Myanmar, faced a major challenge in identifying local talent for its program, given the political and social reality of the country for many years which resulted in a population that was largely educated through rote-learning in schools that suffered under decades of military rule. To effectively engage local talent, the founders knew training would be critical. They learned in an initial effort that bringing people together in the capital for one week of training a year on a variety of topics was insufficient; staff did not have enough time to learn, retain, or apply the skills they would need to continue their leadership development. PD then launched a "Learning Hub" model in 2017 that is "experiential, collaborative, and integrated into the leader's daily work challenges and long-term career goals." The training periods are much longer (four months instead of one week), primarily outside the classroom, and in-person classroom experiences are located closer to the workers.[15] For more on talent development, see the Strategy Memo on page 39.

Recruit and hire local talent more efficiently.

If your organization has limited presence in the country or region in which you are recruiting, your HR department is unlikely to be well-versed in that country's local regulations or best methods of outreach. Our interviewees shared three strategies they have used to overcome such barriers as they scale and have more demand for local talent:

1. **Use local recruiting firms (who understand local context and have existing networks):** When first building out its local staff in Tanzania, Sproxil conducted online research to identify the local search firms, sought out reviews, and interviewed the finalist firms to ensure they understood Sproxil's unique hiring needs and had the necessary skills and networks to successfully complete the searches. Root Capital recognized that its own US-based HR team was limited in its ability to comprehensively recruit (and do initial screening) for hires in Kenya, so it engaged Shortlist, an employment agency based in Kenya, to provide those services.

2. **Hire Professional Employment Organizations (PEOs, outsourcing firms which act as employer of record):** Root Capital is not registered as a formal entity in some of countries where it works, so to contend with regulatory issues Root Capital engages staff through PEOs. Other organizations engage local HR professionals or lawyers to help them understand regulations, taxation, and hiring laws in new countries of work.

3. **Leverage existing local talent to identify and attract others:** Once you are able to grow local teams, you can use them as culture carriers and as sources of referrals. VisionSpring established its first in-house HR department in India (where its presence was growing rapidly) to better leverage local knowledge and networks in hiring. In addition, the organization created a six-hour recruiting and interviewing training for all staff involved in hiring new team members to ensure consistency of process and consistency with core values and to enable staff members to be more purposeful in how they attract and invite talent into the organization.

Of note: STANDARDS IN SETTING SALARIES

Setting salaries for local staff within a global organization can create tension and discomfort. **Sproxil** chose not to have global standards for equivalent roles but instead benchmarked against local standards and ensured benefits and salaries aligned with local norms. The key factor was setting salary and benefits at a level that was competitive with comparable positions (e.g., within other social enterprises or within other industries recruiting similar skillsets). To help determine norms, social enterprises can research other local job postings, benchmark with contacts working in other local industries, and utilize tools such as the **Fair Wage Guide** (**www.fairwageguide.org**) or **InsideNGO by Humentum** (**www.humentum.org**). Thinking creatively about incentives and benefits outside of salary can also be effective to compete for local talent; see the Leverage Non-Salary Incentives strategy memo on page 42 for more.

Make a commitment to hiring locally, and communicate that to your stakeholders.

As an organization founded in the U.S. but working internationally, VisionSpring made the intentional decision not to hire expats to its country teams. This decision meant it sometimes took the organization longer to grow that local talent or find the right person, but VisionSpring CEO Gudwin said it was definitely the right decision for the organization. Similarly, One Acre Fund committed to hire locally as it expanded, and learned that it needed to put time into developing those leaders to rise within the organization so as not to relegate local talent to entry level positions. Root Capital is also committed to staffing its regional offices with local talent; it recognizes that while it may take additional time, deep knowledge of the local business environment and regulations is key to execution. Committing to hiring only local talent for certain positions and/or certain office locations can push a venture to make the significant effort even when it feels external pressure to hire more quickly. Communicating this commitment to stakeholders, therefore, is also key.

ON THE IMPORTANCE OF BRINGING MORE LOCALS ONTO THE TEAM:

"Waiting to find the right person is less costly than taking on the wrong person, even though [the organization] has investors to please and deadlines to meet."[16]

NED TOZUN
Co-founder
D.Light

71 percent of survey respondents reported that over half of their staff are from or have deep on-the-ground experience with the communities they serve.

✓ DO...
... **question your assumptions** about who is right for a particular job, especially when considering leadership roles.
... **make strategic investments** in developing your local talent to build your leadership pipeline.
... **spend time thinking about setting salaries** and whether you have global standards or benchmark against local standards.

✕ DON'T...
... **prioritize filling talent gaps quickly** over the important (and often more time consuming) work of finding the right local leader.
... **think you have to hire local talent without help**. Utilize local recruiting firms and/or PEOs.

CONTINUE TO INVEST IN AND PRIORITIZE DIVERSITY, EQUITY, AND INCLUSION

An increasing body of research, including that from McKinsey & Co. and Boston Consulting Group, shows that diversity in teams is correlated with increased innovation and increased financial returns.[17,18] For many social impact organizations, creating equity and diversity internally is not only about the business case (e.g., better range of ideas, amplifying the stakeholder voice), but also about modeling and contributing to the "just world" these organizations are striving to create. Yet many organizations do not fully understand what diversity, equity, and inclusion means for them—uniquely, or in action—nor how it relates to an organization's ability to drive impact at scale.

Everett Harper, CEO of Truss and Board member of CARE, emphasized the importance of this work starting as soon as possible, saying that "organizations must think about diversity early on. The further along you get, diversity becomes harder and harder to address as your networks, policies, and culture become ingrained." The examples below draw mostly on the experience of U.S.-based organizations focused primarily on gender and race but from which lessons can be drawn for those looking at other diversity factors, such as country of origin, age, and industry background.

ADVICE FROM THE FIELD

Articulate & prioritize your "DEI Why."

Health Leads knows that a racial equity lens is critical to its work in breaking down systemic barriers in healthcare in the U.S., as many of these systems significantly disadvantage people of color. Health Leads therefore understands that it must focus on racial equity within its own organization in order for its solutions and approaches to be informed by the voice and experience of those communities—and thus have the greatest impact. Other organizations may recognize that their ability to be innovative will be bolstered by a more diverse set of backgrounds and lived experiences on staff (at all levels—including leadership), that they want to model and contribute to the "just world" they are striving to achieve, or that the customer voice needs to be represented and empowered at all levels to drive the most sustainable and impactful solutions. It's important for organizations to have a clear "why" behind their DEI efforts, both to drive strategies to achieve it and to ensure it does not become siloed or forgotten as other challenges demand attention. Cultivating a culture that is inclusive and empowering to a diverse mix of talent and bringing in and developing that talent takes time and effort. Prioritizing that time and sustaining that effort requires organizations to commit for the long haul, have conviction about DEI as a key part of their strategy, and communicate that conviction with funders and other stakeholders.

KEY QUESTION

How can you build and sustain diverse and equitable teams to align with mission and bolster your ability to drive impact at scale?

"...'companies in the top quartile for racial/ethnic diversity were 35 percent more likely to have financial returns above their national industry median'"[19] – McKinsey, *Why Diversity Matters*

What do we mean by Diversity, Equity, and Inclusion?

While many definitions of these three terms exist, for the purposes of this paper, we are focusing on the following aspects of the terms:

Diversity: the numeric representation of individuals with a range of identities, perspectives, and lived experience (e.g., gender, race, country of origin).

Equity: "the fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups."[20]

Inclusion: an environment (primarily workplace, in this context) which supports, serves, and values all individuals such that they can fully participate.

CASE in Point: Diversity, Equity, and Inclusion Prioritization in Action, with Health Leads

"We cannot do our external work without a racial equity lens—cannot do it. And we must do it internally as well." Health Leads' CEO Alexandra Quinn shares a few ways the organization is prioritizing DEI within its own structures and systems, noting that this work is never a "one-off" and requires continuous learning, iteration, honest dialogues, failures, and more learning. A few of its many actions over the past two years include the following:

- **Mission statement**. Changed the organization's mission statement to include addressing systemic inequity, reflecting its centrality to Health Leads' work.
- **Strategy**. Made the work of addressing racial and institutional inequity an explicit part of the organization's strategy.
- **Values**. Updated the organization's values to incorporate inclusion, justice, and DEI work.
- **Formalized and dedicated capacity**.
  - **Created a Diversity, Equity, and Inclusion Department within the organization, led at the VP level**. The new department reports to a newly created Chief of People and Equity position on the executive team. This structure enables Health Leads to formalize and capacitate its internal equity efforts and to connect those working within the greater DEI efforts of Health Leads' external work.
  - **Formalized an internal DEI Advisory Council** (which had come together three years prior) and designated the members as formal advisors to the VP of DEI.
  - **Launched racial affinity groups within the organization**.
  - **Focused on racial diversity at all levels**, with a special focus on executive-level management.
  - **Updated HR and compensation processes with a DEI lens**.
- **Training & Dialogue**.
  - Provide **racial equity training** for the whole organization.
  - Provide **implicit bias training** for managers.
  - Facilitate regular **organization-wide racial equity conversations**.
  - **Internally and externally, highlight and promote** (through Health Leads' formal network, social media, and internal communication channels) the health equity work and best practices of partners and organizations.

> "Our desire to embrace Diversity, Equity and Inclusion in our values and strategy has allowed us to accept that there is not a one size fits all approach. The challenging experiences of Black team members on average have been vocalized more so than other racial ethnic groups in our organization. Our goal however is to consider solutions to lift up all of our subgroups. We do this by exercising our internal muscle of embracing racial equity, through dialogue with one another."
>
> - Tené Hamilton Franklin, VP of Diversity, Equity and Inclusion, Health Leads

Jennifer Valenzuela, Health Leads' Chief of People and Equity, reflects on equity in a start-up environment: "**In the early stages, when organizations are in "build-mode" and laser-focused on growth, it's easy to miss the opportunity to be intentional about equity in both staff recruitment/retention and operational processes. As a result, staff does not reflect the people impacted by the vision, mission, and work, and we don't slow down to consider all perspectives around key strategic moves**. In one particular initiative, our lack of diversity and prioritization of speed over patient experience led us to move too quickly, miss key inputs, and put long-standing relationships at risk. We're now working to build a more diverse staff, management team, and board that better represents our work and will hold us accountable. This intentionality of diversity, equity and inclusion takes time, requires cultural and operational shifts (e.g. changes in sourcing and hiring practices, examining and training around implicit bias, ongoing and open staff dialogue, etc.), and demands leadership participation, not just direction. While we have made a lot of progress, we're still very much on this journey."

Evaluate your culture for inclusiveness.

Evaluating your organization's culture for true inclusiveness is a critical step in the process of developing and recruiting a diverse team that reflects your mission. Jay Coen Gilbert, co-Founder of nonprofit B Lab, which certifies B Corporations, wrote in a Forbes article about his realization that his organization had systems and structures in place that were greatly favoring the white, middle-to-upper class members of its staff—and were acting as obstacles to all others. As one example, the organization's expense reimbursement policy assumed that staff had credit cards and did not take into account that staff members without credit cards may struggle to pay monthly bills before they are reimbursed.

Coen Gilbert also recognized that, while there was some diversity within the team, there was a dearth of diversity at the leadership levels. This imbalance can signal that only certain types of people can actually succeed and hold power within an organization. Addressing issues that create an unwelcoming environment for people of different socioeconomic status, racial, and ethnic backgrounds became a priority for B Lab.[21] Harambee Youth Employment Accelerator helps enterprises in South Africa and Rwanda create more inclusive workplaces by breaking down barriers for unemployed youth. One approach Harambee shared is for enterprises to provide an advance on the first paycheck, so a young person who has no income can afford transport for the first month of work until the first paycheck. (See pages 13-14 in the Local Talent strategy memo for more on Harambee's work with employers.)

Building a culture of inclusiveness can also make you more attractive to diverse talent, thereby growing your pipeline and increasing retention rates—both of which are critical to executing your work as you scale and pivot. Organizations can use data to continually evaluate their cultures for potential biases that may create barriers to inclusiveness— examining pay, promotion, and retention data disaggregated by the factors key to your DEI Why (e.g., race, country of origin, gender, lived experience). Read more about organizational culture in the Strategy Memo on page 44.

A word of caution: Concept of "Culture Fit"

The concept of "culture fit" has proven to be a risky concept for diversity, equity, and inclusion. According to Lauren Rivera, Associate Professor of Management at Northwestern University's Kellogg School of Management, too often, culture fit "has shifted from systematic analysis of who will thrive in a given workplace to snap judgments by managers about who they'd rather hang out with." [22] Creating formal processes and tools—such as VisionSpring's interview guide and scorecard— and having multiple interviewers are important in mitigating this risk. Health Leads has taken the step of hiring a consultant to assess all the organization's HR processes for equity and inclusion because of its commitment to ensuring that its values of DEI are reinforced by policies and procedures.

Don't be limited in your thinking and articulation of who is right for the role.

Harambee fundamentally believes that "talent takes many shapes, and people have the potential to do things they haven't necessarily been trained for or done before." As mentioned above, Harambee helps potential employers make shifts in their assumptions and operations to effectively engage unemployed but high-potential youth. As organizations make such shifts, they must consider how their job descriptions and interview processes/requirements convey unintentional bias. Does a particular job really require a college degree, or is that what we are using as a proxy for types of skills that we could articulate another way?

Abe Taleb of Koya Leadership Partners, an executive search firm supporting mission-driven organizations, suggests in an article that organizations should "**define the job; not the person.**" He shares initial ideas for breaking down the job—focusing on academic success, project management, financial or analytical skills, ability to conform and get along, and access to a network—which can serve as a more equitable basis for evaluating skills as opposed to stating "Required Qualification: MBA degree."[23] Beyond the job description, investigate how bias shows up in your interview processes and how you can mitigate it. Perhaps you assess learning potential, observe candidates simulating the actual work, and create a more favorable interview environment with pairs of non-homogenous interviewers and an opportunity to interview with multiple team members. Seek out a diversity of opinions to ensure you are addressing the most significant barriers.

Create a clear strategy and intentional processes to bolster equity in hiring.

It can feel easiest to draw from your own personal networks—and those of your staff—when pursuing new hires. However, your personal networks are likely to closely resemble you and thus contribute to continued homogeny. Jay Coen Gilbert, Co-Founder of B Lab, admits that the perceived urgency around hiring often leads to casting a more narrow net, meaning "**we too often have valued a speedy hiring decision over a strategic hiring decision.**"[24] For Teach for America, its efforts to bolster diversity in hiring included the following:

1. **Specialized training** for the recruitment team and shared responsibility across that team for reaching diversity goals. The training helps team members to effectively connect with potential applicants from a variety of backgrounds.

2. **Hands-on recruitment** to reach diverse prospective candidates where they are, thus targeting outreach to historically black colleges and universities and college campuses with large black and Latino student populations. The recruitment team also works to proactively build relationships with potential candidates to individualize the recruitment and application process.

3. **A holistic approach to selection**, taking into account a variety of applicant characteristics that go beyond test scores and which TFA's research has shown are shared by its most effective teachers.[25]

Don't forget your board, volunteers, contractors, and partners.

While the advice and examples above refer often to hired talent, it is also important to use similar processes to ensure that your greater team also reflects your mission. Boardsource, a global network helping to strengthen nonprofit governance, articulates the reasons it is committed to DEI on boards: "Whether in the hiring of the executive, the determination of strategy, the allocation of resources, or the goal of serving the community with authenticity, the board's leadership on diversity, inclusion, and equity matters." Boardsource also provides resources to help organizations and boards use such a DEI lens.[26] Organizations should also consider how their DEI Why plays into selection of contractors, volunteers, and key collaborative partners.

DO...	DON'T...
... **clearly articulate your "DEI Why"**—why the elements of DEI are important to your mission and ability to achieve impact at scale.	... **be limited in your thinking of who is right for a particular job**; focus on critical skills and potential instead of proxies such as specific degrees.
... **evaluate your organizational systems and culture for inclusiveness**, so diverse voices will be attracted to, and empowered within, your organization.	... **rely only on your personal networks for hiring**, as those individuals are likely to contribute to continued homogeny
... **create intentional processes to increase equity in hiring**, such as new methods of outreach and practices for interviews.	... **forget that your DEI Why should extend** to your board, contractors, volunteers, and other partners.

THINK BEYOND STAFF #1: EMPOWER VOLUNTEERS

Many of the organizations we interviewed spoke of the essential role that community stakeholders acting in a voluntary capacity have in the success of their initiatives. Volunteers are often a force-multiplier for social enterprises, helping them reach deep into communities, create cost-efficiencies, and ultimately embed solutions locally. Yet many volunteer efforts fade in effectiveness over time, and some social enterprises are wary of using volunteers for activities that are critical to mission success. Our interviewees shared some of the ways in which they shape their engagement of volunteers to contribute to mission in important ways and help drive scale.

KEY QUESTION

How can volunteers be used as a critical partner in scale in ways that are mission aligned, high quality, and sustainable?

ADVICE FROM THE FIELD

Ensure commitment by aligning interests and creating onboarding friction.

Ensuring commitment from volunteers is a commonly voiced concern for social enterprises considering if and how to leverage this workforce. To address the issue of commitment, our interviewees stressed the importance of finding alignment between the role a volunteer is given and his/her interests. Water and Sanitation for the Urban Poor (WSUP) kept this in mind as it embarked on an ambitious initiative to improve sanitation across Visakhapatnam, the largest city in Andhra Pradesh, India. It identified a large network of women engaged in the city's Self-Help Groups, and mobilized them to take on activities fully aligned with their mandate and geographic proximity, such as informing households about subsidies and visiting open defecation hot spots to interact with community members. Similarly, CAMFED leveraged volunteers whose interests were aligned with the organization's mission (and success) in tackling poverty and inequality by supporting girls' education and empowerment: the women and girl alumni of CAMFED's programs. This growing alumni network (called CAMA), which includes more than 138,000 members, is critical to CAMFED's ability to achieve its goal of supporting one million girls through secondary school. As women who have experienced the power of the CAMFED model, these volunteers have a vested interest in supporting other young women who are lost within or outside of the school system. These alumni volunteers provide mentorship in local schools and provide follow-up to ensure girls are staying in school. For Crisis Text Line (CTL), the work of its volunteers (called Crisis Counselors) is mission critical, but there is not an obviously aligned group from which to draw. So, CTL has introduced processes to create friction in the volunteer sign-on process to ensure only the most committed engage:

- **Volunteer Application**: CTL's volunteer application is approximately seven pages and includes clear expectations on the volunteer commitment (200 hours over a year, with some night shifts), a request for two reference letters, sample scenarios to measure instincts, and a background check.

- **Volunteer Training**: CTL requires future volunteers to participate in a 30-hour online training, which includes regular assessments and is completed either over a six-week period or an accelerated 15-day period.

Since its founding, Crisis Text Line has trained over 20,000 volunteers; as of the beginning of 2019, the organization had approximately 4,500 active volunteers (i.e., those who have been active within the past month).

Identify common points of volunteer drop-off and create interventions to address them.

Given the lengthy (and expensive) process to onboard volunteers and the significant length of the expected commitment, CTL uses data to home in on the points at which volunteers are likely to drop-out and designs interventions to address those points. Noting the drop-off between the end of training and actual start of the work (called "crisis conversations"), CTL decided to defer awarding the training certificate (deeming the individual a "Crisis Counselor") until after the individual has his/her first crisis conversation. This shift provides incentive for the volunteer to move into the next phase of the work and to see the initial rewards of a crisis conversation as motivation to continue. CTL identified the next common drop-off point occurring between the first six to 20 conversations, so set up a process where the crisis counselor's coach reaches out directly to the volunteer during that period. In that conversation, the coach provides feedback on the volunteer's conversations thus far and shares what they would like to see more or less of in future conversations. The feedback is designed to increase the volunteer's confidence in his/her own skills, continue to improve quality, and increase retention. In addition to these points in time, CTL has realized that resilience is key for volunteers to succeed and continue, so builds in trigger points where counselors will receive the appropriate support to process the intensity of the work.

Case in Point: Reinvigorating and Retraining Evidence Action's Promoters

Evidence Action's volunteer promoters' enthusiasm for their role tended to wane over time. Evidence Action staff met with promoters to reinvigorate, retrain, and reinforce their confidence and engagement. Reeducation efforts equipped promoters with the tools and knowledge to address misinformation, such as the erroneous belief that chlorine causes infertility, and promote best practices in terms of water collection and chlorine use. While these reeducation efforts helped to stem the tide of promoter disengagement, the issue remains a challenge for Evidence Action. With 11,634 promoters as of November 2016, adding salaries or other financial incentives is cost-prohibitive; however, Evidence Action is actively working to determine other measures for maintaining promoter motivation, including increasing promoter pride through t-shirts and training and partnering with other organizations to provide products that promoters value, such as seeds for farming or phone cards.[27]

View (and treat) volunteers as key shareholders in the work.

Volunteers must be seen as more than a free workforce of implementers. CAMFED CEO Lucy Lake shared that ensuring this happens in practice requires building this culture across the organization, including among leadership. "The way in which others engage with the CAMA volunteers and the respect that is afforded to them in recognizing their expertise has been the secret sauce to the level of pickup and activism we have in our volunteer networks. We've had the experience of individuals coming in from outside and treating this workforce as less sophisticated and less educated; treating them as an implementing workforce rather than recognizing the dignity, expertise, and contribution they were bringing. In that particular situation, we fell down and required a change in leadership to turn it around." Engagement of volunteers in the planning, design, and evaluation of initiatives as exemplified by CAMFED and WSUP (whose Self-Help Group volunteers participate in the design upgrades to public and community toilets) is one way to recognize the value that these frontline experts bring to the table. From CAMFED's perspective, semantics also matter. CAMFED does not call the many individuals who provide voluntary contributions to its model "volunteers"; rather it refers to them as "stakeholders" or "shareholders."

> "Within CAMFED we are challenged with the term 'volunteer.' The individuals we work with are stakeholders within the process and impact they want to see in their own communities. They are shareholders within that process."
>
> LUCY LAKE,
> CEO, CAMFED

Ensure quality and accountability through formalized structures.

In order to ensure quality output, organizations that are scaling with volunteers need to ensure that systems and structures exist to provide them with clear direction and support. For Crisis Text Line, volunteers directly engage with individual texters who may be in crisis, so quality control is critical. CTL thus **employs a combination of processes, technology, and staffing to achieve quality, including the following: rigorous training; coaches providing regular individual feedback; supervisors monitoring conversations; and technology (e.g., artificial intelligence) alerting coaches and supervisors when they may need to step in to help**. Given all of these layers, CTL faces very few quality issues severe and persistent enough to merit letting a volunteer go.

CAMFED creates structures and tools to enrich the individual volunteer, create an intentional network, and ensure accountability. In each community, CAMFED brings together key stakeholders in formal committees that operate at the school and district levels. At the school level, the committees include parents, school leaders, and traditional community leaders; at the district level, they include local authorities from entities such as the education and social welfare departments. These two committees drive the work throughout the schools within that district and receive support from a paid CAMFED staff member at the district level (the District Operations Secretariat). Committee members are accountable to each other, and the CAMFED staff member can help ensure that things move forward. CAMFED has also created a team at the national level, composed of members of the community committees, which provides training, peer support, and monitoring to newer committee members (among other tasks). These layers, along with a mobile data tracking tool, help ensure that CAMFED's work improving education for young women is sustained over time, delivered with rigor, and incorporates accountability at every level.

Retain volunteers with incentives beyond stipends.

One of the biggest challenges in working with volunteers is retention, especially after investments in recruiting, training, and infrastructure have been made. **Questions often arise as to whether financial stipends are necessary to retain and motivate volunteers**. While this is certainly context dependent, in the case of CAMFED, leadership has remained steadfast about not providing stipends to volunteers. CAMFED believes that the provision of stipends can be a limiting factor with respect to sustainability and scalability and that stipends can imply that the individuals are delivering an organization's program rather than being recognized for participating in a collective effort toward improving community well-being and development. Instead, CAMFED works to celebrate individuals' contributions through local and national events and acknowledgement by officials, to give the individuals confidence that their efforts are valued by the wider community. In addition, to ensure that volunteer inputs are recognized and incentivized, it has developed a "system of opportunity" as a non-salary incentive [see callout box on next page].

Fundación Capital also uses a network of community leaders to facilitate access to its LISTA Initiative, with local leaders (i.e., low-income women who are themselves recipients of social welfare programs) helping to distribute shared tablet devices. While Fundación Capital initially tested monetary incentives (including monthly stipends and pay for results schemes), it did not find that the financial incentives dramatically increased reach. Moreover, FC has found that when scaling through government social programs, there can be restrictions on providing stipends or subsidies—as those could be construed as employment or favoritism within government programs. So, while FC has been successful in providing remuneration for travel and cellphone airtime costs, local leaders appear to be more motivated by supporting their communities and receiving benefit from the provided trainings.

Crisis Text Line has leveraged its volunteers' clear commitment to the work and impact by offering incentives that recognize and celebrate their achievements. The organization introduced a 'Leveling System' where volunteers achieve increasing recognition (and giveaways such as logoed water bottles, backpacks, sticker packs, and other merchandise) as they complete more and more conversations. With higher levels, volunteers can gain opportunities for volunteer leadership positions and get the chance to be first to apply for internships and job openings.

Case in Point: Examples of non-salary incentives created by CAMFED

CAMFED is constantly evaluating the equity of its voluntary roles, particularly considering that they are mostly filled by women who are often engaged in unpaid labor. CAMFED considers how such roles can be positioned to improve women's status and build their social capital and has developed creative non-salary incentives such as the following:

- **Social Interest Loans.** Through CAMFED's partnership with Kiva, CAMA members can apply for financial interest-free loans in return for "social interest" (i.e., voluntary work in their communities supporting CAMFED initiatives). From 2013 through mid-2019, 4,884 social interest loans worth $2.8 million have been provided to 4,344 CAMA members. The loans create dual-impact by offering accessible financing for CAMA members while also ensuring a high-degree of commitment to their volunteer roles with CAMFED.

- **Formal Qualifications**. CAMA members who act as Learner and Transition Guide volunteers with CAMFED are able to register for a Learner Guide Business Technology and Education Council (BTEC) qualification—an internationally recognized vocational qualification developed by CAMFED in partnership with Pearson. This qualification opens up new opportunity for CAMA members to go on to further and higher education, including teacher training, and create a livelihood for themselves.

- **Increased social capital**. Through the CAMFED program, CAMA members and other members of local resource teams are given the opportunity to engage directly with policymakers and are represented on decision-making bodies alongside local authorities (including CAMFED's national boards and other civil society entities). The volunteers gain credibility, clout, and a platform within their communities to influence local change.

DO...	DON'T...
... **align volunteer motivations and interests** with the work they will undertake.	... **let just anyone be a volunteer**; ensure aligned incentives and create friction in the recruiting process.
... **engage volunteers as key stakeholders.**	... **relegate busy-work to only volunteers.**
... **identify and address critical dropout points**.	... **automatically assume stipends are necessary.**
... **be thoughtful about incentives**—both financial and non-financial.	... **put volunteers in roles that are not clearly aligned with interests,** or where volunteers may become overburdened with the work. Instead consider managing those roles internally or outsourcing to others.
... **invest in quality control**.	

THINK BEYOND STAFF #2: LEVERAGE THE CAPACITY OF EXTERNAL PARTNERS

Scaling your impact is not just about growing your own organizational footprint. As Health Care Without Harm works to build a movement—rather than scale a specific intervention—it has intentionally stayed lean and drawn on the expertise of partners from across its network. Founder Gary Cohen stated, "You don't need to grow as a huge organization. You just have to find the strategic levers around you." Leveraging outside entities (formal partners, key stakeholders) can be challenging but can also help accelerate change at a faster pace and with less financial resources than going it alone. Regardless of your sector of work or geographic focus, there are institutions and individuals within the ecosystem who are being paid (by others!) to conduct work that aligns with yours. Scaling organizations must ask themselves which areas of expertise and influence can be leveraged from outside the organization—minimizing the need to grow the organization's own size yet still expanding its reach and impact.

KEY QUESTION

How can you effectively engage the expertise and bandwidth of external partners, decreasing the need to grow your own organizational footprint?

ADVICE FROM THE FIELD

Identify stakeholders with aligned interests.

By taking the time to map your ecosystem, it is possible to identify organizations and specific roles within those organizations that have aligned interests.[28] Those individuals and teams may then be able to bring their expertise and capacity to help further your work—as partners rather than employees. Health Care Without Harm (HCWH) recognized that there were many experts within the healthcare ecosystem who were motivated—as part of their jobs—to maximize positive outcomes related in some way to environmental health. To influence hospitals to stop buying meat from animals that had been treated with antibiotics, HCWH engaged hospital food service leadership and the physicians rallying around antibiotic resistance and empowered them to advocate for changes within hospital food procurement. In support of this effort, HCWH organized a Market Transformation Group of committed hospital systems to share progress and strategies, convened supply chain and food service companies to discuss standards with the hospital partners, and incorporated a goal within its membership community of committed health care organizations (i.e., Practice Greenhealth) so that hospitals could track progress and benchmark against other hospitals within the membership base.

Jagdeesh Rao, CEO of Foundation for Ecological Security (FES) credits the impact his organization has achieved to thinking of itself as an "ecosystem organization" that identifies aligned partners with whom FES can collaborate to transform an entire system. For example, one of FES' objectives is to improve local decision making by promoting an exchange between local and external knowledge and best practices in agriculture and farming that will increase incomes and improve outputs. Rather than develop its own in-house research team, FES specifically chose to "piggy-back" on the work of think-tanks, such as the International Food Policy Research Institute, that were already generating this knowledge but struggling to get it into the hands of those who could best leverage it. FES instead focuses on developing delivery mechanisms to ensure that knowledge can be mobilized in villages through another set of aligned partnerships with village-based NGOs.

> "We see our role as creating the tent, setting the table, and empowering others as a way to leverage skills and talent that we ourselves do not need to pay for."
>
> GARY COHEN
> President and Founder of Health Care Without Harm

Find ways to ease barriers to entry and create early wins.

Consider any barriers to partnership that might exist, including defensiveness about past practices, lack of knowledge about new approaches, or lack of data to convince decision-makers. For example, one of HCWH's first targets was ridding hospitals of two environmental pollutants: toxic mercury (commonly found in thermometers) and incinerators with harmful dioxin emissions. In approaching hospital partners, HCWH took care not to blame or shame the hospitals for still engaging in those practices but instead used the opportunity to bring new science to bear and offer a second opinion—ensuring that the hospitals would not be put on the defensive. HCWH also made it easy for its partners by providing data on the benefits of alternatives (including potential cost savings, volume reduction, and environmental and health benefits), making helpful connections, and outlining concrete steps that led to initial small wins. Given the success and trust that was built, the partners eagerly asked, "What's next?" leading to the development of a broader sustainability agenda around chemicals, purchasing, water, food, and more.

Formalize structures to effectively collaborate with partners.

Kevin Trapani, Co-Founder and CEO of B Corporation The Redwoods Group, advises that social enterprises must be intentional about managing external collaborators. "**In my experience, social enterprises commonly underestimate the time and effort required to effectively collaborate with partners**. These relationships will be most effective if there is clarity around shared goals, structures put in place to ensure continued alignment and progress, and clear ways to communicate, make decisions, change course, and hold each other accountable. Without this active and thoughtful management, partnerships are doomed to be deprioritized or fall to the back burner." This means dedicating time and staff and may even involve formal reporting structures. Health Care Without Harm has created a membership organization, Practice Greenhealth, which provides a platform for its health care sector champions to collaborate, share innovations and best practices, benchmark against each other, aggregate demand for changes, and seize opportunities for collective impact (e.g., getting hospitals to join the Health Care Climate Challenge). HCWH serves as the "backbone organization" of Practice Greenhealth, providing data, making connections, disseminating knowledge, and building buy-in and ownership from all members.

Additional Resources: Managing Partners Effectively

Managing external partners is complex and depends on the types of partnerships that you are trying to build. Fortunately, there are resources available to help guide the partnership process:

- **Acumen's Corporate Partnerships efforts** (**acumen.org/corporate-partnerships**).
- **Scaling Pathways' "Leveraging Government Partnerships for Scaled Impact"** (**www.scalingpathways.com**).
- **Collective Impact partner alignment and management insights** (**https://www.collectiveimpactforum.org/resources**).
- **Connective Impact's Partnership Tools** (**www.connectiveimpact.com/free-resources.html**).
- **Deloitte Insights' "The Roadmap Toward Effective Strategic Social Partnerships"** (**www2.deloitte.com/insights/us/en/topics/social-impact/the-roadmap-toward-effective-strategic-social-partnerships.html**).

Recognize the characteristics required of internal staff to effectively leverage partners.

Gary Cohen of HCWH points out that managing partners is often more akin to the role of a community organizer, where the role is to "build citizen power" outside of the organization as opposed to managing outcomes. The mindset of an organizer can be quite different than that of a traditional manager; for an organizer, critical roles and skills will include relationship management, training, adaptive leadership, and an ability to influence, align, and build a shared vision. FES has needed to support its teams in developing the skills to be able to work with partners in an empowered way. For FES, the most common reason that partnerships in their context fail is ego, says Rao. "It is a cultural shift we are working on to ensure all FES staff have the skills to work effectively with partners according to our vision. This requires us to worry less about whether our logo or name is attached to something and instead let the partner be the leader and be celebrated for successes. Humility in working with partners comes through in every interaction, from how we answer the phone to how quickly we respond. We are working with staff formally and informally to support them in developing these skills."

DO...	DON'T...
... **map your ecosystem** to find partners with aligned interests.	... **underestimate the time needed** to effectively collaborate with partners, including creating shared goals, clarifying decision-making, developing strategies to hold each other accountable, and creating reporting structures.
... **consider any barriers that exist for partners** to engage with you and support your agenda.	
... **formalize structures** to manage, connect, and hold accountable your partners.	... **assume that strong internal managers will also be strong partnership managers**, as managing partners can require a different mindset and skill set.

Create The Infrastructure: Evolve Systems and Structures to Empower Talent

Even with the best people and partners in place, you will need organizational structures and systems to manage and empower that talent and help them succeed. Do you centralize or decentralize control and decision-making? Do you evolve your board? What kind of systems do you put in place to manage dispersed teams—whether those teams are staff or external partners?

NOTABLE QUOTABLE

"The minute HR is seen as a separate function, it loses its dialogue with business. And I think a scaling organization in particular is vulnerable to that because you can potentially place too much emphasis on the process and the systems at the risk of the people"

SHARMI SURIANARAIN
Solutions Design Lead,
Harambee Youth
Employment Accelerator

This section includes Strategy Memos to inform discussion on each of the strategies (and related key questions) listed below.

STRATEGIES	KEY QUESTION	PAGE #
Right-Size Your HR Infrastructure	*How do you formalize and evolve the structures to oversee talent as your organization scales?*	**29**
Determine Your Level of Control: Centralized vs Decentralized?	*How should the locus of control within your organization evolve to empower your talent to drive sustainable impact at scale?*	**32**
Evolve Your Governance/Board Structure & Roles	*How do your board needs change alongside your evolving scaling strategy to ensure this critical part of your team can help drive toward impact?*	**34**
Keep Your Team Connected—Even When You Can't Get Everyone in the Same Room	*As your team grows and/or becomes more dispersed, how can you continue to connect team members to work together toward your goals?*	**36**

RIGHT-SIZE YOUR HR INFRASTRUCTURE

As talent becomes more challenging to manage at scale, having the right level of HR infrastructure becomes even more important. The functions that comprise HR must also evolve, as organizations move beyond a focus on merely recruiting and compliance to a more holistic employee experience. Numerous members of the staff throughout the organizational chart will likely have some responsibility related to talent, so how do you strategically structure it?

KEY QUESTION

How do you formalize and evolve the structures to oversee talent as your organization scales, and how should responsibility be distributed across the structures?

ADVICE FROM THE FIELD

Create shared HR responsibility across the organization.

Whose role is it to manage talent? One piece of advice that we heard consistently was that regardless of the size of your HR team, recruiting and managing people must be seen as a shared responsibility across the whole organization. As Paul Sansone, former CFO of Better World Books and current Partner of TechCXO, stated, "the most successful HR function is when all executives feel like they own it. Ideally, you do need someone who is focused on it 100 percent every day, but they need to build robust cross-functional relationships and avoid the scenario where the default is 'it is HR's issue.'"

Maryana Iskander, CEO of Harambee, echoed, **"Is your 'people function'—some call it HR—a side function where managers dump performance problems? If so, then it becomes about compliance.** You need to ensure that your people function is also embedded in the priorities of your leadership team so that senior managers feel as accountable for people as they do for strategy and execution."

NOTABLE QUOTABLE

"At Harambee, we believe that everyone is an HR person. We do have a functioning HR system and team, but I think it's actually in the implementation that HR truly gets done, so all of us are deeply involved in performanceand in retaining and motivating staff."

SHARMI SURIANARAIN
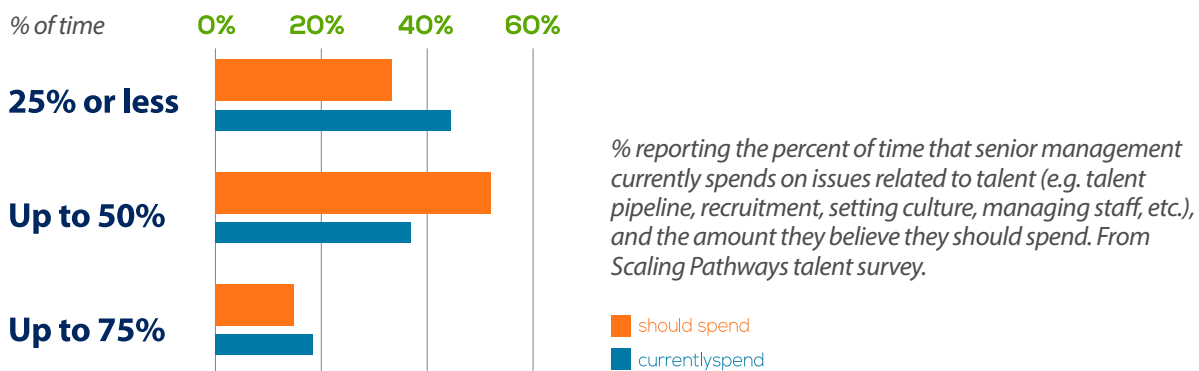Harambee's Solutions
Design Lead

Senior Leadership Time on Talent

Maryana Iskander of Harambee stated that senior leadership should be spending approximately 80 percent of its time on defining culture and growing people because she believes this ultimately drives every other performance metric in the organization—from strategy and partnerships to operational success and delivery. According to Iskander, "None of this is rocket science—**how much time does your leadership team spend on culture and people? Are these topics on the agenda of your management meetings?**"

In our Scaling Pathways survey, two-thirds of respondents said that they SHOULD be spending between 25 and 75 percent of senior leadership time on talent (as opposed to time spent on general strategy, fundraising, programs, partnerships, etc.). However, nearly 44 percent reported that they are CURRENTLY spending 25 percent or less time.

How much time should senior leadership spend on talent? (And how much do they actually spend?)

% reporting the percent of time that senior management currently spends on issues related to talent (e.g. talent pipeline, recruitment, setting culture, managing staff, etc.), and the amount they believe they should spend. From Scaling Pathways talent survey.

■ should spend
■ currentlyspend

Identify a right-sized HR team for your stage and model.

The actual structure of HR teams varies across organizations. In the case of Habitat for Humanity International, CEO Jonathan Reckford felt that having a Chief People Officer was critical to the organization's work. So critical, that during a restructuring wherein Reckford's number of direct reports shrunk, he kept the Chief People Officer reporting to him directly to illustrate the "mandate that it all starts with talent." Habitat for Humanity combined its HR and Organizational Learning and Development teams under the Chief People Officer in order to have a holistic approach to how the organization recruits, onboards, and grows talent. The HR part of the team manages recruiting, total rewards (pay and benefits), and employee engagement and relations; the learning part of the team supports individual and team development planning, training and learning opportunities, and succession planning for direct staff. Reckford believes that those two sides of talent management are critical for scaling social enterprises but require different skill-sets.

VisionSpring prioritized investing in an HR department in its fastest-growing market, India, in lieu of creating a dedicated (and comparatively expensive) function in New York. To meet global (non-India) expansion needs, VisionSpring uses a recruiter, on contract, and also integrates human resource responsibilities into other roles across the organization. CEO Ella Gudwin envisions the organization continuing this arrangement until it meets an internal threshold triggering the hiring of a global head of people and administration. However, VisionSpring is currently working to broaden its HR focus beyond recruitment and compliance, creating a new position for a specialist in performance and talent development.

Organizational Capacity for Talent-Related Functions.

When asked whether their organizations have dedicated capacity for three talent-related functions, Scaling Pathways survey respondents provided the following information:

- **HR Compliance and Process**: Compliance was most likely to be housed internally (82 percent). One respondent noted, "We have 3.8 dedicated HR FTEs total and probably 3.3 of those FTEs end up being around compliance and process."

- **Employee Experience**: 17 percent reported not having any capacity (internal or outsourced) around employee experience. One respondent that has staff capacity noted, "We have recently appointed an interim role [focused on] strategic initiatives in part because this was not getting enough attention and we were having employee retention problems and lots of grumbling. She is probably spending 40-50 percent of her time on this right now." Other respondents acknowledged the need to dedicate more time to this work.

- **Recruitment**: Of the three areas, recruitment was most likely to be outsourced (21 percent) with one respondent noting, "We fully outsource strategic searches and outsource screening only for director and below searches. We use talent firms to do this work. Waldron and Perrier Laver are two that we would recommend."

Does your organization have the following talent-related capacities on staff, outsourced, or not at all?

	On Staff	Outsourced	Do not have
HR Compliance & Processes	82%	7%	11%
Employee Experience	72%	10%	17%
Recruitment	64%	21%	14%

% reporting they have such talent-related capacity on staff, on contract (i.e., outsourced), or not at all. From Scaling Pathways talent survey.
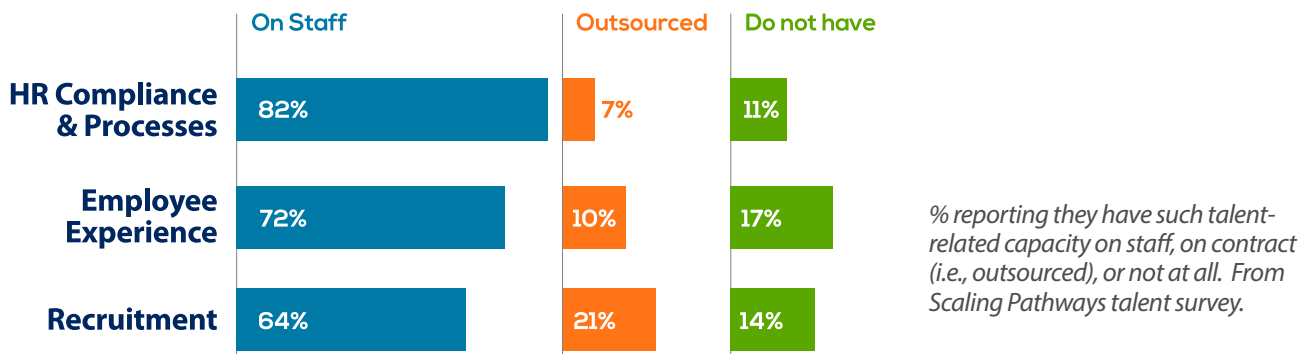
DO...	DON'T...
... **create some shared responsibility** for managing talent throughout the organization.	... **view talent management as a side function** and the jurisdiction of only HR.
... **move beyond a focus on just recruiting and compliance** to consider the full employee experience.	... **assume that the skills of more traditional HR departments** (i.e., recruiting and compliance) **are the same** as those required to create and execute talent development and culture strategies.
... **ensure that issues of culture and people regularly appear** on your leadership team meeting agendas.	... **automatically create and house your HR infrastructure within your central office,** if that location is separate from where the work is taking place.

DETERMINE YOUR LEVEL OF CONTROL: CENTRALIZED VS DECENTRALIZED?

As social enterprises scale their impact, they often evolve through stages of being more centralized (to more tightly control programming and allow for testing, maintain quality and more) versus decentralized (to push down decision-making and allow for local adaption). Finding the right balance is challenging but critical to empower the talent you have brought together.

KEY QUESTION

How should the locus of control within your organization evolve to empower your talent to drive sustainable impact at scale?

ADVICE FROM THE FIELD

Evolve and experiment to find the right balance of control.

The story of Teach For America (TFA) illustrates the challenge of finding the right balance of control. TFA CEO Elisa Villanueva Beard described TFA's scaling journey as evolving through several phases:

1. Starting "scrappy" to test and prove their model;

2. Becoming more centrally-controlled during its rapid expansion to control program quality and roll-out;

3. Realizing, at a certain stage of growth, that a more decentralized approach was needed to allow for region-specific adaptation of the core model by local leaders; and

4. Refining the role of the central office to coordinate and support those local leaders.[29]

Decentralizing is also the strategy that Harambee has found works for its scaling success. In the words of CEO Iskander, "**You cannot scale up if it is all about control. You need individual cells roving to solve customer needs; without that you can't scale quickly and effectively enough.**"

Alternately, Root Capital shifted to a more centralized model in 2016, evolving from a diffuse structure where decisions were often made by committee—which had led to a lack of accountability given the many decision-making bodies. In this strategic pivot, Root Capital made roles more defined, created more C-suite positions, and shifted to what it called a more traditional structure with decision-making at the top. The organization was careful to work to retain the important value of giving everyone in the organization a voice but had to accept the fact that not everyone will agree on any one decision; the shift was meant to increase accountability and clarify direction coming out of Root Capital's pivot.

> **Additional Resource:**
> **5 Stages of Evolution and Revolution**
>
> The examples depicted above reflect many of the same stages seen in the corporate world. In his classic HBR article, Larry Greiner outlines the five stages of evolution and revolution that organizations often experience. Evolutions include shifts through the following:
>
> 1. **Creativity**: lean team of doers, informal communications, proving model
>
> 2. **Direction**: more central control and hierarchy to drive growth
>
> 3. **Decentralization**: more local control and adaptation
>
> 4. **Coordination**: more functional units and central HQ executive team functions
>
> 5. **Collaboration**: matrixed, team-based, HQ consults (not directs) the team[30]

Clarify the role of the central office.

Alongside this evolution between central and local control, the role of HQ can change as organizations scale their impact. Interviewees advised that enterprises should clarify the specific functions that the central office is uniquely suited to deliver. This often means more cross-cutting functions that require an organization-wide view and serving in more of an advisory role to support the rest of team (both internal staff and external partners). In the case of Teach For America, the central team conducts functions that are more cost-effective when run from the center or that support increased knowledge-sharing across regions, in addition to common functions such as finance, technology, recruitment and admissions, and brand management. As part of that evolution, TFA ensured that it clearly outlined the boundaries for local adaptation so that the role of the center and the autonomy of the regional offices was clear to all. Similarly, Foundation for Ecological Security pushed down responsibility to heads of regional offices and evolved the central office to become "ambassadors, innovators, and troubleshooters," having higher-level responsibility for verticals and supporting the regions in implementation.

DO...	DON'T...
... experiment with and evolve the balance of centralization vs decentralization to maximize efficiencies and quality while also allowing for local adaptation.	**... keep the role of the central office or headquarters static over time**; reconsider where the various functions should reside as the organization pursues different scaling strategies.
... actively consider the risks to quality and accountability when decentralizing and create strategies to address them.	**... be so controlled that you are unable to evolve** and be responsive to customer needs.

EVOLVE YOUR GOVERNANCE/BOARD STRUCTURE & ROLES

Another critical structure to help drive scale is an enterprise's board (or other governance structure). In early stages, boards are often working boards that help run operations in the absence of sufficient staff capacity to perform all needed functions. However, as an organization scales, the expectations and requirements of its board must also evolve to drive strategy and results.

KEY QUESTION

How do your board needs change along with your evolving scaling strategy to ensure this critical part of your team can help drive toward impact?

ADVICE FROM THE FIELD

Identify the board "superpowers" necessary to drive scaling strategy.

In the first section, we talked about the importance of identifying the skills needed to drive to the next scaling stage and next set of decisions. As a parallel process, it is important to map board members against the matrix of critical skills and functions, with the goal of identifying board members with aligned superpowers. VisionSpring's superpowers specific to its scaling strategy and business model include, in CEO Ella Gudwin's words, "amazing marketing perspective, commercial law experience, somebody who's scaled optical, someone who knows what's going on in the future of optical technology. We also have people who have built businesses in multiple countries, including in India, which is where we have our biggest footprint. So, everyone has a very unique, professional perspective to offer in addition to the personal attributes they bring to the table."

For CAMFED CEO Lucy Lake, scale means that the board must have "a deep understanding of risk, recognizing that risks become that much more meaningful at scale." Board members who have navigated scaling scenarios and have experience managing risk can better support the enterprise in balancing its risk-return ratio inherent during scale—and they can bring important perspective on the investments needed to achieve impact at scale. Our interviewees noted other board skills that become particularly important during scale, include providing advice (and connections!) for government partnerships if those are a key part of the strategy, managing more complex layers of capital and financing, and, critically, developing, retaining, and facilitating the succession of talent. According to co-founder of the Bridgespan Group, Tom Tierney, "80 percent [of the board's time] should go toward issues that are most important to the organization's long-term impact and the talent strategy to deliver that impact."[31]

A Word of Caution:
Be careful not to overvalue non-strategic skills

According to Sneed, et al.'s 2016 "Scaling the Social Start-Up" survey, 68 percent of surveyed organizations named the board as one of the top three sources for guidance on organizational strategy (behind the senior leadership team and the CEO's personal network).[32] This statistic reinforces the **importance of recruiting board members capable of providing effective strategic guidance and not solely focusing on tasks such as fundraising**—as is often seen in nonprofit board recruitment. Matt Forti, Managing Director of One Acre Fund USA, stated, "We believe strict fundraising requirements can produce unintended consequences. Not least, they almost certainly preclude perhaps the most valuable strategists and governists— nonprofit executive directors in adjacent fields or further up the scale curve—who need to fundraise for their own organizations. They also could crowd out higher-value uses of board member time across the wide range of functional areas a nonprofit must get right to be successful."[33]

Ensure legal and governance requirements are met.

If an enterprise's scaling strategy includes expansion to multiple countries, it may mean that multiple boards will be required. VisionSpring, as an example, has a global board, boards in India for each of its three legal entities (a private limited company, a society, and a foundation), and a small board for its recently formed company in Bangladesh. Some of these boards are more strategic in nature and others born out of regulatory necessity. Gudwin's advice on managing multiple boards is to first ensure that regulatory and fiduciary requirements are met, and then to facilitate communication and coordination between the boards so that they are helping to develop and drive toward a shared vision. Lake added a tactical mechanism that CAMFED has found helpful in ensuring coordination across boards: for each national board, it puts a representative from another CAMFED board. This arrangement enables cross learning and a shared culture and saves on the cost of bringing all of the boards together.

Ensure boards maintain accountability to your core stakeholders.

In addition to the more traditional roles of board governance, interviewees stressed the importance of ensuring a connection between the governance model and core communities and stakeholders. For CAMFED's Lake, "having the young women who are our clients on our boards—which effectively means having local boards overseeing and having a stake in local activities—has been absolutely critical. The shareholder framework at the community level is an absolutely critical part of that governance bubble." CAMFED has set up over 150 district-level committees who have responsibility for program oversight and a real sense of being the shareholders in the activities they oversee. Incorporating core communities in the governance model also means that all boards need a culture of humility and active listening, rather than a culture that values only leading. As Lake articulated, "**If you're scaling, and if you're really looking for that to be led by and from those on the frontline, then you want a board that is 'strong' in the sense of being prepared to come behind that, not to be working from the front. I think that balance with the board is critical.**"

DO...	DON'T...
... **evolve the roles** on your board in line with the changes in your business and strategy.	... **overvalue non-strategic skills on your board**; specifically, don't pursue board members for fundraising purposes only (as many non-profits find themselves doing).
... **identify the roles** that will best position you to pursue your chosen scaling strategies.	
... **ensure that you are meeting legal and governance requirements** as you establish your presence in new geographies.	... **forget to ensure that your board has a deep connection to your core stakeholders**; consider how to include your customers' and beneficiaries' voices on the board.

KEEP YOUR TEAM CONNECTED—EVEN WHEN YOU CAN'T GET EVERYONE IN THE SAME ROOM

In start-up mode, team communications and management is often relatively seamless, as the smaller team works in close proximity and shares multiple responsibilities. But scaling organizations face the challenge of no longer being able to "get everyone in the same room." An organization's talent may work throughout different offices across the country or on another continent, or even work in close collaboration with partners from totally different organizations. What systems or structures can you put in place to connect and manage your expanding team when you can no longer get everyone in the same room?

KEY QUESTION

As your team grows and/or becomes more dispersed, how can you continue to connect team members to work together toward your goals?

ADVICE FROM THE FIELD

Leverage technology to create virtual proximity and improve team connectedness.

Mimicking the camaraderie and sense of teamwork that existed when team members were able to "yell over the cubicle" or walk down the hall to a colleague's office is essential as an organization scales.

Tactics	Cautions
Real-time banter. Konstanze Frischen, Executive Director of Ashoka North America, emphasizes the importance of having clear intention and rules for using communications platforms to promote consistency and ease of onboarding for new team members. To mimic the real-time banter that occurs when everyone is in the same space, Ashoka U.S. has a rule that when you are at your desk, you must always have your messaging and video call software open. This rule helps minimize the threshold of reaching off-site colleagues. **Reinforcing organization strategy.** At Harambee, several WhatsApp groups allow for real-time sharing of news and updates across the organization—playing a specific role in the organization's suite of communications platforms. WhatsApp is one part of Harambee's multi-channel, multi-layered approach of using daily and weekly rituals to reinforce the organization's strategy and messaging. While at times there can be a lot of "noise" on these channels, "the huge upside is the opportunity, through constant sharing, to align and inspire very big teams of people who are geographically dispersed, around common stories, victories and learnings," shares Solutions Design Lead Sharmi Surianarain.	Our interviewees cautioned that communications tools are not a simple solution; it's important to **define the need before identifying the tool** and not to underestimate the resources—not just cost, but people and time—required to leverage technology effectively. For the roll-out of CAMFED's SMS M&E system, it had to budget not only for the purchase of mobile devices for its network but also for **significant investments in trainings and staff time** to provide one-on-one support to new users.

Don't get rid of face-to-face.

Despite new tools for working and connecting remotely, interviewees agreed that in-person facetime cannot be completely replaced as a way to build trust and align on big picture goals. Many organizations interviewed have at least one in-person gathering per year, bringing together the whole team or, at a minimum, representatives from all offices.

Tactics	Cautions
Get on a plane: Root Capital ensures that regional leads are regularly travelling to one another's offices to gain a broader perspective of the organization's work. Interviewees and survey respondents emphasized that this kind of appreciation for all parts of the organization is difficult to accomplish with only virtual measures. **Formal meetings**: Many organizations spoke about hosting regular strategy-focused meetings, bringing together key leadership, or in some cases all staff, to regroup around the organization's vision and map a forward path together. At VisionSpring, quarterly all-hands meetings are specifically tied to the organization's values to "uphold equity; constantly adapt and relentlessly improve; learn together; default to transparency and reveal hard truths; and help others do well" and are scheduled the week after board meetings so updates and changes can be reported out to staff in a timely manner. Foundation for Ecological Security (FES) hosts large in-person gatherings, called learning forums, bringing together both internal staff and key partners. The purpose of these convenings, CEO Jagdeesh Rao shares, has evolved away from dealing with operational issues to focus instead on bigger picture ideas, such as the use of technology to catalyze new thinking across the organization and its many partners. FES sees these opportunities as critical because, as Rao explains, "when so many things are happening across different verticals and there is a lot of change, the learning forums are an opportunity to share thinking and get people on the same page." The convenings also reinforce FES' ecosystem approach in that they are for partners as much as for internal staff.	With larger or more diverse groups, **meeting protocols must be even more strategic to maximize effectiveness**. One specific way Health Leads aims to maximize the effectiveness of meetings is to create an environment that works for individuals with different communication styles and also helps the group depersonalize decisions and discussions to be more productive. For example, if the team is trying to move a decision forward, team members will take on different roles—such as someone being the "opposing" view (trying to really pressure-test the idea) and someone else being the "follow" view (an individual who is excited about the follow-through and follow-up).

Connecting "One VisionSpring"

In order to foster the feeling of "One VisionSpring," even with staff dispersed in many different countries, VisionSpring creates tools to connect staff and ensure visibility for all team members. CEO Ella Gudwin emphasizes the importance of the entire organization knowing "where we are, how we're doing, and where we're going—so that people can see how their contributions are tied to the organization-wide objectives." VisionSpring's tactics include the following:

- Distributing to each staff member a one-page handout with the organization's three-year strategic framework on one side and annual objectives on the other;

- Providing an internal newsletter, InFocus, which is structured around the strategic objectives and shares team achievements, customer insights, and operational improvements and highlights individual staff within VisionSpring; and

- Pushing out live feeds broadcast on screens in VisionSpring's warehouse facility and New York and India offices (currently being installed) to give the teams a window into one another's worlds. The screens will rotate between real-time Salesforce data, photos, other timely news, and live-feeds of the offices and warehouses (as time zone alignment allows).

"These are all just little ways to show it is really one team and one effort," says Gudwin.

DO...	DON'T...
... **create and enforce rules for using communications tools,** to ensure consistency.	... **underestimate the time and people resources required** to effectively manage and use communications tools.
... **define communications needs** before identifying the tool	
... **be strategic with in-person or virtual meetings** to create efficiencies and manage more voices in the conversation.	... **get rid of face-to-face time** altogether, as it is critical for team connectedness, empathy, and managing change.

Power the Journey: Cultivate, Motivate, and Retain Your Talent

As you and your team navigate the bumpy road to scale, it's critical to cultivate and motivate your talent to evolve with you and stay the journey. By developing intentional strategies for formalizing talent development and incentives and managing culture, you can help your talent stay motivated and driven toward impact. Interviewees stressed that although culture is often underemphasized, it is a critical element to actively manage—as it is the underlying connective tissue that drives your people, impact, and operations.

NOTABLE QUOTABLE

"We fundamentally believe that talent takes many shapes, and people have the potential to do things they haven't necessarily been trained for or done before. So, we hire people in unconventional ways and then focus very deliberately on talent management to help them grow, learn, and succeed."

MARYANA ISKANDER
CEO, Harambee Youth
Employment Accelerator

This section includes Strategy Memos to inform discussion on each of the strategies (and related key questions) listed below.

STRATEGIES	KEY QUESTION	PAGE #
Evolve Strategies to Train Talent as You Scale	*How can you create a talent development strategy to grow your leadership power and ready your employees for the challenges that scale will bring?*	**39**
Leverage Non-Salary Incentives to Motivate and Retain Talent	*How can you best leverage non-salary incentives to effectively motivate and retain talent during scale?*	**42**
Institutionalize Culture and Values as You Scale	*How can you continue to evolve and leverage your organizational culture to drive performance, especially as you continue to change?*	**45**

EVOLVE STRATEGIES TO TRAIN TALENT AS YOU SCALE

In the beginning, training and development is often learning on the fly—wearing multiple hats, taking on additional responsibility, and learning on the job. But as enterprises scale their impact, the work becomes more complex, is often more about teamwork than individual work, and sometimes requires significant changes in responsibilities. During this journey, social enterprises need to be intentional about investing in talent development to lead to better-performing employees, increased retention, empowered staff who can adapt and respond to changing market conditions and customer feedback, and a pipeline for succession planning.

KEY QUESTION

How can you create a talent development strategy to grow your leadership power and ready your employees for the challenges that scale will bring?

ADVICE FROM THE FIELD

Create multi-faceted training approaches.

A popular talent development model used by commercial and social ventures alike is the 70-20-10 model which recommends that approximately 70 percent of training should be experiential learning and on the job experience; 20 percent should be informal training (e.g., mentoring, coaching, and receiving feedback); and 10 percent should be formal training (e.g., workshops, webinars, courses).[34] For Boys & Girls Clubs of America, focusing on a 70-20-10 approach allows for a significant change in mindset—shifting from one-off formal trainings to engaging all levels of the organization in embracing a culture of continuous learning. With 70-20-10, BGCA supervisors are empowered (and expected) to build development plans, identify relevant mentors, and achieve a balance between observation and feedback. Our interviewees provided many helpful examples of training programs in each category:

- **70%: Creating challenging on the job experiences.** Foundation for Ecological Security (FES) created a Performance Coordination Team (PCT) to nurture second-level leadership and help devolve decision-making. The PCT is composed of eight to nine individuals (three in regions and five in central office) who are selected for their growth potential and given the opportunity to stretch from project coordination roles to additional responsibilities, such as training or research. By identifying these high potential employees, FES is able to give them challenging opportunities to help them grow and demonstrate competency in new skill-sets. In another example, Health Leads has created a peer-nominated leadership team. The leadership team consists of 10-12 people who work on special initiatives related to culture and performance across the organization, with the chair reporting directly to the CEO. Participants dedicate time above their day-to-day work, further develop their leadership skills, and have helped the organization be more skilled in pursuing its mission. Note that not all on-the-job experiences have to involve big investments of time or resources; check out the "52 Free Development Opportunities" created by the Bridgespan Group for inspiration.[35]

- **20%: Informal training through feedback and mentoring.** BGCA has a structured process for identifying high potential leaders within the organization and creating plans to develop them into higher-level roles. Twice a year, BGCA senior executives assess staff on axes of performance and agility (both based on extensive assessments and input). Those rated as low on both factors are targeted for additional feedback, coaching, and potentially transitioning; those rated as high on both factors are targeted to receive additional investment. An executive is assigned to each of these high-potential staff and must develop a plan to forge and test their growth in areas that will be required at the next level. For example, an executive may develop a plan to see if the individual can handle more responsibility and can engage with the board and also provide that person a coach to help development in key areas. This leadership development is part of the executive's responsibilities (five percent of the executive's bonus potential) and, while currently happening at the senior management level, will be rolling out to field operations staff over the course of the year.

- **10%: Formal coursework and training.** Opportunities for formal training can be created through external partners (e.g., online training including MOOCs or webinar series; partnering with universities or corporate entities for in-person executive education programming where budget—or pro-bono partnership—allows) or internally within a social enterprise. An example of a rigorous internal training is the process that VisionSpring undergoes when onboarding all new hires through a three day "VisionSpring Academy"—which everyone from marketing directors, to finance assistants, to customer-facing sales teams attends. The Academy covers key technical aspects of the organization's work—such as an introduction to eyeglasses and vision—alongside sessions to reinforce VisionSpring's values and ways of working together (i.e., the "unstated" rules). Participants also visit a vision camp and warehouse to understand the various levels at which VisionSpring works, and at the end participants must pass a test to ensure that they have absorbed the content. When it is not possible to get new staff to the Academy, VisionSpring provides a recording of the sessions, and has them discuss their learnings, insights, and questions with their managers. In another example, One Acre Fund identifies high performing staff to participate in a structured talent development curriculum, such as its field staff "fast track" program. This program includes a structured set of trainings (covering topics such as key technical skills, leading effective trainings, public speaking, creative problem solving, and leadership), grades on assignments, and an exit exam, and it is supplemented with on-the-job feedback and mentorship.[36]

Case in Point: **Making the case for training.**

Lorraine Orr, COO of Boys & Girls Clubs of America, spoke about the evolution in BGCA training programs. When she began her first position at BGCA in the mid-1990s, she recalled her onboarding experience as being "handed a rolodex and then two days later someone looked in on me and said, 'Why are you still here?' I had to get out to the field and figure it out by myself. It was all very haphazard, but, as we scaled, we knew we needed to address the increased complexity and invest in training to improve performance and shrink time to competency." The organization first created a three-day required training for all new Club CEOs, which primarily consisted of time in the classroom. The training was a good first effort to formalize learning, but as BGCA became more data-driven, it noted that by 18 months on the job, 40 percent of the new CEOs were turning over, and core mission metrics were also falling. BGCA then initiated the development of a more robust onboarding program, which resulted in an 18-month competency-based training required for all new Club CEOs. Coupled with the addition of a high-touch, intentional follow-up and coaching protocol from field-based BGCA staff, within two years of implementing this new onboarding program, CEO turnover in the first two years in role decreased by 50 percent, and mission metrics saw double-digit gains.

This investment in training yielded impressive results but was also a major commitment from the BGCA leadership and board. In 2014 BGCA created a leadership development department to guide these efforts and brings in external consultants as needed. Orr spoke of the critical importance of data collection, such as mission KPIs, staff retention rates, and regular "pulse" surveys—to understand if and how the investments were yielding results. With the compelling onboarding data in hand, BGCA found it much easier to raise money—from corporations, foundations, and individuals—to support the investments required for effective training and development of staff.

Balance internal development with external hires.

Although much of the focus of this section is on training and developing internal staff, a number of interviewees offered the caveat that a robust talent development program does not mean that all senior staff should be promoted from within the organization. There are advantages to hiring externally: bringing in fresh perspectives and skills and also filling gaps where internal staff are not ready. One enterprise spoke to the pressure during scale and growth periods to promote internal staff too quickly, before they are truly ready for new roles. In order to determine whether staff members are ready for the next job, you can ask these three simple questions sourced from the Entrepreneurial Operating System:

1. **Do they get it** (truly understand the business function and roles)?

2. **Do they want it** (have the motivation and desire)?

3. **Do they have the capacity** (the mental and emotional capacity and the time)?[37]

DO…	DON'T…
… **incentivize and evaluate managers** on their efforts to develop others and actively work on succession planning.	… **invest in training programs without having a plan to track data** to demonstrate return on investment.
… **create onboarding processes** that shrink the time to competency for new hires.	… **create training programs without a clear strategy** for how they move the organization toward its goals.
… **hire externally when needed**, to bring in new skill-sets and perspectives.	… view talent development solely as **participating in formal training**.

LEVERAGE NON-SALARY TO MOTIVATE AND RETAIN TALENT

Of course, financial incentives—salary, bonuses, benefits (including healthcare, paid vacation and sick time, education benefits, and retirement contributions)—are one way to recruit, motivate, and retain talent for your scaling journey. However, social enterprises are often constrained in how much they can provide by way of financial incentives, which opens the door to considering how to leverage non-financial incentives. Fortunately, research shows that nonfinancial incentives can prove to be even more effective at motivating staff. A McKinsey survey of over 1000

KEY QUESTION

How can you best leverage non-salary incentives to effectively motivate and retain talent during scale?

executives, managers, and employees from a range of sectors showed that three nonfinancial incentives—praise from immediate manager, attention from leaders, and opportunities to lead projects or taskforces—were even more effective motivators than the three highest-rated financial incentives.[38] In addition to the advice provided on page 23 related to incentivizing volunteers, interviewees shared insights and examples on leveraging non-financial incentives effectively.
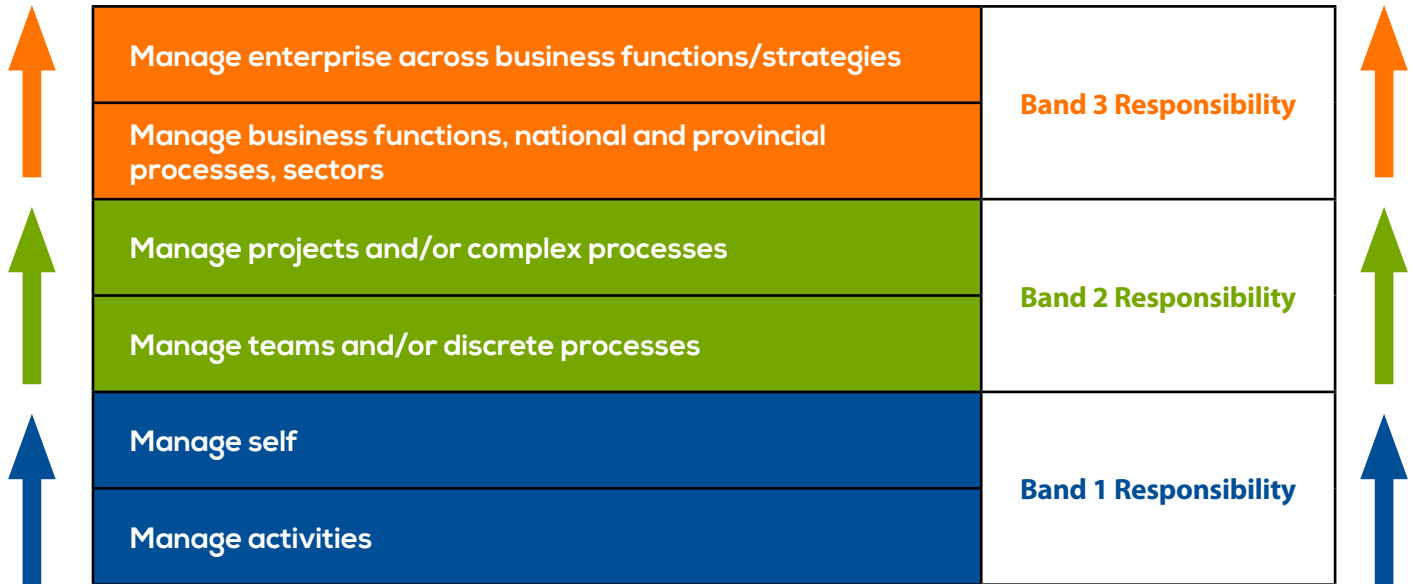
ADVICE FROM THE FIELD

Maximize intrinsic motivations such as play, purpose, and potential.

Social enterprises are well positioned to offer employees engaging work which is more likely to lead to higher performance and retention. According to research outlined in "How Company Culture Shapes Employee Motivation," intrinsic motivations are critical for engagement and retention and can be grouped into three categories: play, purpose, and potential.[39]

	PLAY: Employees are motivated by the work itself and do it because they enjoy it	PURPOSE: Employees value the work's impact	POTENTIAL: The work enhances the employee's potential.
Interviewee Examples:	Smart people like to solve hard problems. And social enterprises are usually tackling the hardest problems, especially as they scale. Harambee attracts and engages talented people because of the complexity of the youth unemployment challenge. "Feeling good about social impact can be rewarding, but not as much as feeling like you can apply your knowledge and skills to actually solving the problem," says Maryana Iskander, CEO of Harambee.	"My mom farms, and when I joined One Acre Fund, she enrolled. She just got inputs this year and her yields are already improving... Every day I work knowing that I'm working in a community that I'm actually helping and the job I'm doing directly impacts and improves someone's life. It's not just about me getting a salary; it's about the community. The small things I do here could impact the whole country because agriculture is the backbone of Kenya."[40] ~One Acre Fund IT Manager, Victor Matianyi	Harambee invests significant time and effort to create opportunities for growth and development for any level of employee. Harambee developed and shares a "Talent Ladder," showing possible future career pathways within in the organization (see graphic on following page). Employees who excel in their roles are offered opportunities to be exposed to new areas.
Other ideas	Create opportunities for people to brainstorm and be creative together.	Show how each role furthers the mission and what the impact is on the beneficiaries/ stakeholders.	Create and support personalized employee development plans.[41]

Harambee Talent Ladder. Employment contract principles—including salary range and contract length—are assigned to each Responsibility Band so that employees can understand, with transparency, what is expected for future growth and promotion.

Manage enterprise across business functions/strategies	**Band 3 Responsibility**
Manage business functions, national and provincial processes, sectors	
Manage projects and/or complex processes	**Band 2 Responsibility**
Manage teams and/or discrete processes	
Manage self	**Band 1 Responsibility**
Manage activities	

Create compelling non-salary incentives.

Non-salary incentives and benefits can be a critical motivator and retention tool, and opportunities exist at many levels of cost. At Boys & Girls Clubs of America, training and professional development opportunities are at the core of the non-salary incentives they offer. In addition to job-related training, BGCA employees can apply for funding to pursue relevant certifications (e.g., Project Management Professional) and post-graduate education. For employees who do not yet have a college degree, BGCA offers incentives to complete it. Given BGCA's investment in these areas, the organization then expects those employees to remain on staff for a certain period of time. BGCA supplements these major incentive programs with individual and team recognition efforts, including national recognition for tenure in five year intervals (including a token of appreciation), quarterly departmental recognition for living BGCA's values (including prizes such as restaurant gift certificates), and smaller gifts throughout the year (such as $5 Starbucks gift cards) to reward individual performance. Additionally, interviewees and Scaling Pathways Talent Survey respondents shared other top non-salary incentives or benefits from their organizations:

CATEGORY	EXAMPLES
Flexibility	Flexible work location; flexible hours; sabbaticals.
Training and Development Opportunities	Informal and formal training; secondments; travel opportunities; rotational opportunities for staff to learn from other areas of the business; opportunities to lead special projects; regular engagements with partners and stakeholders to stay connected to external trends; clear career paths; opportunities to engage with policymakers.
Connection to mission	Seeing the impact of work (communicated through leadership as well as opportunities to see themselves on the ground); positive feedback from community/stakeholders.
Culture	Being part of a winning team; fun environment; social events; wellness programs to build resilience (e.g., massages, yoga).
Recognition/Praise	Performance awards; individual and team recognition.
Non-Salary HR Benefits	Generous health insurance; time off.

DO...
... **engage staff members** to create incentives that they actually desire.
... **be transparent** about compensation structures since satisfaction about financial compensation often centers around fairness and transparency.
... **maximize the intrinsic motivations** that your staff members bring to the job.

DON'T...
... **assume that the same incentives will be valued across your organization**.

INSTITUTIONALIZE CULTURE AND VALUES AS YOU SCALE

Culture is what people are describing when they talk about "the way we do things." It is the beliefs, expectations, values, and ways of interacting and behaving that define an organization. Initially, culture is defined by the founder and founding team, but as enterprises pursue scaled impact, each new person or partner will shape the culture—and, if you are not careful, perhaps in ways that you did not intend. The basis of an organization's culture is the values—not just the words but the principles that guide the actions and decisions of an organization and its employees—embedded within. What is the personality of your organization that you want to set and maintain throughout scale and how will you define, communicate, and live that culture as scale occurs?

KEY QUESTION

How can you continue to evolve and leverage your organizational culture to drive performance, especially as you continue to change?

ADVICE FROM THE FIELD

Use culture as a tool to reinforce values as you scale.

In some organizations, culture is largely ignored or seen as an unnecessary burden to handle. In many others, including the social enterprises we interviewed, there is no question that cultivating an organization's culture is absolutely essential. But to what end should culture be reinforced and managed? Laura Callanan, Founding Partner of Upstart Co-Lab, which disrupts how creativity is funded by connecting socially responsible and impact investing capital in the U.S. to the creative economy, emphasizes that "**culture should always be in service of the bigger mission and effectiveness of the organization.**" The risk, she cautions, is that without clear objectives for culture, it can overtake the work—even at the expense of the organization's external mission. Clear objectives are critical to inform and guide culture during the constantly evolving reality of scale.

The Competing Values Framework, developed by Kim Cameron and Robert Quinn, lays out four different organizational culture types—each of which has associated values and outcomes it is working to maximize.[42] For the leaders we interviewed, culture was further nuanced during scale; while most enterprises could fit into one of the four culture type buckets, they spoke extensively about culture as a tool to manage change and to maximize the intrinsic motivators of play, purpose, and potential (as described on page 42, in the Leverage Non-Salary Incentives Strategy Memo).

The organizations use language and take deliberate actions to underscore the culture they seek to achieve. For example, VisionSpring strives to create a culture of empowerment among its staff—in particular working to drive problem-solving and decision-making closer to the customer—to best serve the customer. It has found, however, that in cultural contexts where people default to phrases like "let me ask my superior" or "headquarters said…," these kinds of changes are slow to take root. To reinforce the message that the organization is in service to the customer and the customer-facing team members, VisionSpring's organizational chart has the front-line sales staff on the top and the CEO—Ella Gudwin—on the bottom. VisionSpring has also paid attention to semantics and eliminated the terms "head office" and "headquarters" from its lexicon to de-emphasize that hierarchy.


Additional Resource: Organizational Culture Types from the Competing Values Framework

Researchers Cameron and Quinn identified two competing polarities that influence organizational effectiveness and created a matrix to map an organizational culture within each quadrant. One axis maps organizations on the competing values of "internal focus and integration" versus "external focus and differentiation"; the other axis maps them on "stability and control" versus "flexibility and discretion." The emerging organizational culture types are the following:

- **Clan Culture**: friendly working environment, driven by values of commitment, communication, and development.
- **Adhocracy Culture**: dynamic and creative working environment, driven by values of innovative outputs, transformation, and agility.
- **Market Culture**: competitive and results-based working environment, driven by values of market share, goal achievement, and profitability.
- **Hierarchy Culture**: formalized and structured working environment, driven by values of efficiency, timeliness, consistency, and uniformity.[43]

The framework authors also offer an online tool for organizations to assess their own cultures. See the Organizational Culture Assessment Instrument at **www.ocai-online.com**.
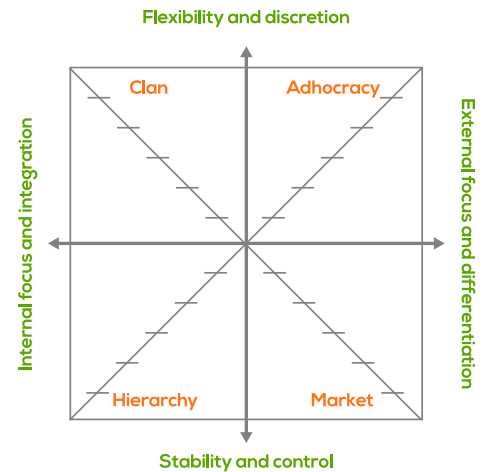
Communicate regularly—and thoughtfully revisit culture and values at scale.

Elisa Villanueva Beard, CEO of Teach For America (TFA), cautioned that as TFA decentralized, it made assumptions that the "basics" (i.e., north star, values, and tenets) were well-understood and would continue to cascade around the organization. This assumption led to teams adopting tactics that were not necessarily aligned with those "basics." TFA soon realized that it needed to be clearer about what defines TFA—the non-negotiables that set norms and behaviors—and make sure that local leaders were engaged in deep conversations about the nuances before they could adapt tactics and programs.[44]

Health Leads shares a similar experience about the importance of ongoing communication about cultural tenets. During an intensive period of change and growth during its Grow & Catalyze scaling plan, CEO Quinn admits that "culture went on the back burner." During this period, Health Leads prioritized innovation among and across teams but didn't predict how this could lead to silos between offices in different geographies. Quinn reflects, "There was a different culture in each of our New York, California, and Boston offices. We went from being consistent around our culture and values throughout our organization to having misalignment. Now the pendulum is swinging back. We recently refreshed our vision, values, and mission in a process that included the whole organization and external partners. We are using our vision, mission, values, and new strategy as the foundation to do some resetting of our all-organization culture through specific interventions (e.g., designing practice agreements for meetings and incorporating values into performance measurement). Our aim is to enable each of our teams and communities to infuse their local culture into the larger container."

Like Health Leads, many interviewees described a process of revisiting their culture and values during their scaling journey. The stories below outline two different approaches to revisiting values and ensuring that key stakeholders (staff, beneficiaries, etc.) are engaged and bought into the outcome:

VISIONSPRING - CODIFYING VALUES

Starting Point:
When Ella Gudwin joined VisionSpring in 2015—14 years after its founding—she could feel there was a VisionSpring way of doing things, but she noted, "I would find myself in difficult situations saying, 'this doesn't feel like it aligns with VisionSpring's values,' but I didn't actually have something to point to. I could just feel that it was counter to the organization."

Process:
1. **CEO reflection**: For three months, Gudwin documented moments where actions or decisions of VisionSpring employees, subcontractors, or partners felt at odds with the organization; she also documented moments where she would feel, "Wow, this is a VisionSpring value in action!" She reflected on the "lore of VisionSpring" and made note of the stories and chapters in the organization's history which had become important reference points for the organization. These notes became the basis for a draft set of values.
2. **Management team engagement**: Over a six-week period, managers were invited to make note of their own observations of do's (i.e., legends), don'ts (i.e., taboos), images (i.e., symbols), and key phrases (i.e., language) that defined VisionSpring. They added these observations and made other tweaks to the values that Gudwin had drafted. Gudwin also ensured that VisionSpring Founder Jordan Kassalow was a key stakeholder during this phase of the process since she wanted the values to be true to VisionSpring's founding, while also relevant to how VisionSpring had evolved and where it was going.
3. **Pressure testing the values**: The team sat with an almost-final set of values for four months, posting them on walls around the offices and then came back together to integrate feedback in a round of final edits.
4. **Board alignment and approval**: At the end, Gudwin discussed the process and the values with the board for alignment and approval.

Result: VisionSpring Values
VisionSpring has posted the five resulting values (listed below) around the organization and on its website, has integrated them into the Strategic Framework (which all employees have on their desks), and uses them as organizing themes (on a rotating basis) for quarterly all-hands meetings.
1. **Uphold equity.**
2. **Constantly adapt and relentlessly improve.**
3. **Learn together.**
4. **Default to transparency and reveal hard truths.**
5. **Help others do well.**

HARAMBEE YOUTH EMPLOYMENT ACCELERATOR - RECOMMITTING TO VALUES

Starting Point:
After reaching its first 10,000 youth, Harambee leadership determined the model was ready for further scale up. The organization recognized the need to capture "The Harambee Way" that had led it to this point so that the culture could be sustained as it scaled. In 2013, Harambee's leadership team codified six values to capture "not just what we do, but also how we do it." The team drew inspiration from the same values that guided the youth served by the organization, creating alignment and accountability between Harambee's team and the customers it serves.

Process:
1. **Cross-section engagement of employees**: Team members from across the organization came together to identify actions they as employees believed they should be doing more of or less of to demonstrate that they are living Harambee's values.
2. **Organization-wide voting process**: From these sessions, the team identified four actions to do more and four actions to do less for each value. On a voting day, all employees were encouraged to select the most representative actions to be written on the walls so as to give life to each of the six values. Those who contributed to the process were celebrated with "I voted!" badges.
3. **Song production**: As a final step to close out this process, Harambee produced a song called, "The Harambee Way" and have since invited staff to personalize it using their own musical talents. See the video: **http://bit.ly/2z07UlX**.

Result: Harambee Way of Working
The Harambee Way of Working consists of a set of six values, each supported by specific "I" statements, which describe how Harambee's employees understand what is expected of them and what they can expect from others. For example, **"Driven by Results: I make it my business to know our targets and how I contribute to them."**

Integrate Values and Culture into Talent Management Processes & Systems.

In an organization's startup days, culture is often seen as a nebulous concept that is more felt than formalized. As an organization scales, a "feeling" is no longer sufficient. Beyond reassessing and recommitting to vision and values, our interviewees described how important it is to formalize how culture is embodied throughout the organization in order to weather growth and change.

Recruitment is a key spot that leaders reported needing to systematize the way culture-fit is being integrated and assessed. Even as a scaling organization differentiates roles and looks for more technical expertise, cultural fit must remain central to hiring decisions. By embedding values and cultural expectations into the recruiting process, social enterprises can ensure that they are bringing on talent that will help maintain its culture as they scale. Jonathan Reckford of Habitat for Humanity underscores the criticality of recruiting for cultural alignment. "**Don't compromise culture in pursuit of technical expertise,**" he warns, reflecting on a time he made the mistake of hiring someone who was technically excellent but a culture mismatch. "It can create short-term productivity wins but at too high a price of loss of trust and collaboration. It ended up reflecting poorly on my leadership, as it appeared I was tolerating poor behavior. We are tempted to compromise because it can be so hard and time consuming to find leaders with all the attributes we're seeking. We've learned that it is better to hire slowly—to take the time to get to know candidates and make sure they bring a servant leader mindset with the needed skills."

VisionSpring sees its recruitment cycle as a two-way process: assessing candidate fit and inviting candidates to assess their fit with VisionSpring. VisionSpring asks short-listed candidates to write a one-page response to three key questions, which Gudwin calls "Why VisionSpring, Why Now?":

- **Why** is joining a social enterprise in the X role right for you at this time in your career?
- **What** challenges do you anticipate VisionSpring is experiencing and how might you contribute to solving those in this role?
- **How** will you know that VisionSpring is the right fit for you?

Gudwin shares, "We are asking people not to share how they are right for us, but actually how they will judge if we are right for them. How thoughtfully candidates answer these questions helps us identify people who are clear about their own motivations and intentions." Candidates who move on to the next stage can expect additional interviews with different team members who are looking for a blend of role-specific skills and character traits, as well as the qualities that speak to VisionSpring's culture and values. This process is standardized across the organization through a set of interview protocols including scorecards and question sets.

Harambee recognizes that even with the best recruitment process, it can be challenging to truly assess an individual's fit with the organization's culture. Its philosophy is that team members should "work for work," so it structures initial short-term service level agreements with potential team members to create an opportunity for both parties to assess fit. Boys & Girls Clubs of America has found that using a formalized and highly prescriptive onboarding program also helps it and the new employee more quickly assess fit, so as to enable changes before investing too deeply in a new hire.

Once an employee is on board in a scaling organization, the work is likely to be challenging with continuous iteration. Harambee captures this in its motto, "#changeistheonlyconstant." One of Harambee's goals for culture is to make coming to work fun. As Sharmi shared, "**We put in brutal hours so it's really important to enjoy the time we spend together and be able to laugh with each other. We believe that creating a culture of empowered decision-making, transparency, inclusion, and fun makes it easier to sit through the necessary day-long meetings about scorecards and metrics and things that move us forward.**" Another important element of culture for Harambee is how its values help navigate tough integrity-based situations. Rather than have only a punitive approach to address integrity issues (like someone stealing), Harambee draws on its values and uses restorative approaches as well to engage in deeper learning (why did the person steal?), which leads to a values-driven response.

Caution: "Culture fit" has proven to be a risky concept for diversity, equity, and inclusion. According to Lauren Rivera, Associate Professor of Management at Northwestern University's Kellogg School of Management, too often, culture fit "has shifted from systematic analysis of who will thrive in a given workplace to snap judgments by managers about who they'd rather hang out with."[45] Creating formal processes and tools—such as VisionSpring's interview guide and scorecard and having multiple interviewers is important in mitigating this risk. Health Leads has taken the step of hiring a consultant to assess all the organization's HR processes for equity and inclusion because of its commitment to ensuring its values of DEI are reflected in the actual policies and procedures. For more on diversity, equity and inclusion, see the strategy memo on page 17.

Recognize potential culture friction-points when scaling impact.

The pathways chosen by organizations to scale their impact can have significant impacts on culture. Moving from direct to indirect work, entering new geographies, and expanding organizational thinking with people from new sectors (e.g., business, research, engineering) can all result in unintended consequences for an organization's culture. Similarly, organic growth can radically influence culture as organizations move from an informal family-like atmosphere to one that is more formalized, sees shifts in power as the structure evolves, and brings in new people who lack a shared experience with the legacy staff. As a regular reminder that change management never truly ends, Health Leads CEO Alexandra Quinn reiterates, "The status quo is not an option." Leaders must understand which changes are causing friction, and why, in order to address it proactively or reactively.

Many organizations shift over time to partnering with and enabling others to amplify their work, which means a shift for staff from more direct work to more indirect work—and a need for a shift in mindset and culture. According to Jagdeesh Rao of Foundation for Ecological Security (FES), "it is a cultural shift we are working on to ensure all FES staff have the skills to work effectively with partners according to our vision. This requires us to worry less about whether our logo or name is attached to something and instead let the partner be the leader and be celebrated for successes. Humility in working with partners comes through in every interaction from how we answer the phone to how quickly we respond. We are working with staff formally and informally to support them in developing these skills."

SHIFTING FROM DIRECT TO INDIRECT WORK

"We needed to shift our culture to one that had staff feel more ownership of the youth unemployment challenge beyond just our own work. Our staff needed to see other partners and players as being on the same team and as people we had to work with in order to scale up solutions more quickly. This really helped us encourage staff to think about building and delivering impact with others—and not just trying to do more and more on our own"

MARYANA ISKANDER
CEO, Harambee Youth
Employment Accelerator

For organizations pursuing multiple scaling pathways, talent in the organization can become increasingly diverse—and can cause friction unless acknowledged and embraced. For WSUP, scaling its impact means not only executing direct work in core countries but also conducting research and codifying knowledge to share with the field and reaching new clients through a for-profit consulting subsidiary. The latter two strategies have introduced academic researchers and private sector consultants to a team that was initially engineers and technical experts. Each group brings different skill sets, preferred ways of working, and culture. Keeping everyone working toward the same ultimate goal requires increased communication, shares Neil Jeffrey, WSUP CEO. "Everyone is entrepreneurial, which is great, but if we're not careful, things can take on a bit of a life of their own. I do a lot of mentorship to help each team see things from different points of view."[46]

Interviewees also talked about how the beginner's mindset of continuous learning that many people bring into social enterprises at earlier stages begins to fade once organizations are more established. New tensions and resistance can arise. Trapani of Redwoods shared that opposition to change within his organization is often based on insecurity for one's particular job or from "inertia manifested as opposition to scale" where individuals are challenged to step outside the set direction of their work. To underscore its emphasis on "constant and courageous learning," which often leads to change, Health Leads works to reinforce the ultimate goal for any change—that "**what we are trying to achieve is bigger than any one of us.**"

DO...	DON'T...
... **actively evaluate culture** through anonymous surveys that ask staff to reflect on how well the organization is living up to its culture and values. Analyze the data across demographics (regions, levels, race, gender, etc.) to see if the culture is being experienced differently across the organization.	... **assume that culture will continue manifesting the way it always has** as your team, strategy, and goals evolve.
...ensure that your work cultivating culture is **in service of the greater mission** of the organization.	...**treat development of organizational values as a one-time pursuit.** Continue to revisit and re-align values as you scale.
...be **deliberate in communicating** values and culture through your organizational lexicon and frameworks.	...**just make assumptions about why your culture is suffering during scale.** Ask questions, and identify the true friction points in order to address them.
...**integrate values and culture into recruitment, onboarding, and the employee experience.**	

FUNDER IMPLICATIONS

How can funders accelerate scaled impact with a different approach to human capital?

As Maryana Iskander, CEO of Harambee Youth Employment Accelerator, stated, "everything starts and ends with the people. What can your people imagine and what can they do?" **Therefore, a funder's investment is jeopardized if investments in talent are not a core part of the investment strategy.** To add complexity, as a social enterprise drives toward impact at scale, talent needs and management strategies change. Funders need to adapt their approaches to most effectively support these needs; the advice below reflects the experience of the social enterprises we interviewed and surveyed.

Embed critical talent considerations in your due diligence.

Prioritizing talent from the start of funder/investor engagement with scaling enterprises is critical. Enterprises need to understand that funders view talent as a priority, and funders need to hold enterprises accountable to navigating the talent evolution. Consider embedding the following questions into your due diligence process, especially for organizations scaling their impact:

- **Talent strengths and gaps, for strategy-setting:**
  - What key business model or strategy pivots has the organization experienced in the past one to three years and how has that affected the existing team and its needs?
  - What are the strengths—and gaps—within existing teams (including internal staff as well as the board, partners, outsourced contractors, volunteers, etc.)?
  - As the organization considers its future strategy to scale impact, how will its talent needs change? How well can the organization articulate the kinds of roles which will become more or less important?
  - Does the enterprise have a well-formed talent strategy that includes
    - Management team and other staff roles?
    - Board or other governance structures (such as with key suppliers or partners)?
    - Both programmatic and operational infrastructure roles (e.g., technology, impact management, HR, etc.)?
    - Succession planning for key roles, looking ahead three to five years?
    - Plans for diversity and equity?
  - If the organization does not have a well-formed talent strategy, is it willing to create one?
- **Talent development:**
  - What programs (or plans) for training and development does the organization have in place to allow for existing staff to reach full potential and drive impact?
  - What additional programs (including those highlighted in this paper) could the organization benefit from adding, and when?
- **Talent management:**
  - What HR infrastructure is in place and how siloed or embedded is talent management throughout the organization?
  - What evaluations and assessments are conducted to measure and understand organizational culture? Are the evaluations open and anonymous or heavily driven by management? What learnings have surfaced, and how has the data led to changes in programming, values, vision, and culture?
  - What percentage of executive team and board meeting time is spent on talent strategies, and is it sufficient?

Keep in mind that if these are areas you want the organization to prioritize, you need to consider how you will support those efforts through funding, in-kind support, or other means.

Remove time pressure.

Hiring, training, and managing talent is an investment that takes time—especially for scaling social enterprises that have unique needs, are trying to engage local talent, and/or are focusing on equity and diversity within their teams. Social enterprises feel pressure from funders for short-term results that can have negative impacts on talent performance; thus, funders should:

- **Appreciate that "time to competency" is a real thing.** Even once a new hire is on board, the individual will not immediately begin adding the value ultimately expected. Yet our interviewees reported that funders often expect that once you hire the person, things will start moving immediately and drive to short-term results. As Ella Gudwin of VisionSpring explained, "**It takes time for people to go from being given a task and succeeding on that task, to anticipating what's coming two to six months ahead, to being able to actually drive and direct a team to get there.**" Many organizations are working to shrink the time to competency but feel that they need more flexibility from funders to be able to coach and develop staff appropriately. For Boys & Girls Clubs of America, spurred by high CEO turnover rates, this meant moving from a three-day onboarding for new Club CEOs to an intensive 18-month process. BGCA found that the lengthier onboarding process not only decreased turnover dramatically (from 40 percent turnover at 18 months on the job to 20 percent—just in the first two years of the new onboarding program), but also led to double digit gains in impact metrics.

- **Recognize the consequences of "hiring fast."** Social enterprises are often rewarded for moving quickly in bringing on talent—which, particularly during periods of rapid hiring, can lead to expensive mis-hires, lack of investment in identifying and developing local staff, and overlooking diversity and equity. Addressing mis-hires can be particularly complex in a funder environment that is perceived to value continuity and stability to prove success. Allow enterprises the time to be strategic in assembling a robust team that is aligned with stakeholders, reflects the customer voice, and is informed by a variety of perspectives.

- **Recognize and support the costs of collaboration.** Engaging and collaborating with partners, including government, is a key path to scaled impact for many organizations. Yet there is an underappreciated cost and time required for developing and managing those partnerships. Enterprises emphasized the need for time and resources to cultivate and maximize collaborative opportunities—which often take place over long periods of time (i.e., beyond the life of any one funded "project"). Consider how to help ensure that the enterprise has the resources to maintain those important relationships, even beyond the period of your funding.

Funders can alleviate the pressure that social enterprises are feeling by having open conversations about these common issues and providing the time and space to make critical talent decisions that will ultimately lead to improved performance. General operating support and minimally-restrictive funding is ideal to allow an organization to grow talent at the right pace; when restricted funding is the only option, funders can add resources for growth and learning directly into budgets.

> **Ensure talent is on the agenda.**
>
> "If you sit on the board, is talent regularly on the agenda? Is talent being discussed during reporting and funding milestone conversations?" - Survey respondent

> **Drive teams to focus on talent.**
>
> "**Investors can and should influence and even incentivize founding teams to focus on talent**. Investors noted that founders themselves needed to be bought into human capital as a strategic priority. Investors can make their expectations clear in this regard, both before investment, during due diligence, and after investment, at a board level."[47]
>
> Rebecca Harrison,
> African Management Initiative

Invest in talent—including the hidden costs.

If human capital is the engine that drives performance (and, ultimately, scaled impact) in social enterprises, then funders need to carefully consider how they can invest in building and maintaining this engine. Some of these investments are obvious but, according to our interviewees, worth restating:

- **Invest in salaries, benefits, and incentives.** At the most basic level, and at any stage, funders need to empower enterprises to invest more in the financial incentives that will attract and retain strong leadership and high potential staff. A healthy organization is critical to serve as the foundation for scaling efforts. At the scaling stage in particular, enterprises have the additional challenge of seeking a wider variety of skills across a broader geographic area. These items usually fall under "general operating support," which many nonprofit funders can be hesitant to fund—creating a significant challenge for the enterprises.

- **Support hiring ahead to position organization for more effective scaling.** To prepare for and effectively execute a scaling strategy, organizations need to proactively upskill—hiring those who can get them to, and sustain them at, the next phase of growth. However, hiring ahead requires up-front investment and is counter to many funders' practices of deploying capital only once targets are reached. The Omidyar Network (ON) has identified a number of areas in which its portfolio of investees and grantees struggles with respect to human capital—with getting ahead of the growth curve as one. ON has a department focused on supporting its organizations on these issues, with activities ranging from providing tools to identify talent gaps and needs to recruitment support. Importantly, the team that provides this support is separate from the investment team so that organizations can have more honest discussions about their needs.

- **Encourage and support organizational capacity to maximize talent.** External hiring is expensive for organizations, and many see internal talent development as a key cost-effective strategy to meet many of the needs of tomorrow. Additional financial resources could allow social enterprises to create training programs, provide opportunities for attendance at conferences, second staff to other organizations to learn, and more. Some funders have also seen the opportunity to create and provide training programs to address challenges they see across their portfolios. For example, Acumen invested in the development of two training programs (in partnership with the African Management Initiative) for its portfolio companies—one to address CEO needs and another for senior managers.[49]

- **Allow flexibility and encourage a learning mindset.** Health Leads acknowledges that any particular strategy may be only 50 percent right in the end, and the organization is committed to maintaining flexibility so as to be responsive to learning. Help ensure that organizations maintain some financial flexibility to make pivots toward increased impact, including hiring new talent, quickly upskilling existing talent, and/or contracting with external talent.

- **Invest in the tools and time needed to maintain connectedness of dispersed and/or large teams.** Scaling organizations face the challenge of no longer being able to get everyone in the same room. But creating connectedness, maintaining collaboration, and facilitating shared learning across large and/or dispersed teams is key to an organization's ability to scale its impact. While many organizations leverage technology for these purposes, leaders report that the larger investment is in the time and capacity it takes to ensure that the tools are effectively leveraged—an investment that should not be underestimated or undervalued.

"The private sector allocates billions of dollars to leadership development because they know that skilled leaders are a powerful investment. In light of the social sector's relatively small investment, I think it's worth asking whether we are capitalizing leadership effectively."[48] Ira S. Hirschfield, President and a trustee of the Evelyn and Walter Haas, Jr. Fund

"Funders often want to deploy capital once we have reached targets. However, for our scaling needs, we need capital up front to grow our team to be able to reach targets. Patience and trust will help us secure our key hires to poise ourselves for immense growth." - Survey respondent

"Just today, one of our directors said, 'If I won the lottery, I would use it to make sure that all staff could get together in person one or two times a year for in-person time.'" This sentiment, shared by a survey respondent, is also echoed by other social impact leaders, who acknowledge the expense of face-to-face meetings but are emphatic that they are key to culture, strategy, impact, camaraderie, and collaboration. Funders can actively support such efforts or inject sufficient flexibility into funds to allow enterprises to prioritize this expense.

- **Invest in culture.** "**Scaling up successfully means you have to double-down on culture,**" shares Iskander of Harambee Youth Employment Accelerator. For many organizations, this means developing intentional strategies to ensure that talent remains aligned to the organization's north star, and highly motivated to be part of the bumpy journey. Provide resources that support culture development, e.g., funds to hire "people and culture" positions, to support team building activities, to pay consultants to lead organizations through values re-definition exercises, and more.

- **Invest in proactive retention and resilience practices for key leaders.** Scaling and leading major strategic pivots can be all-consuming for an enterprise's leaders, and enterprises can suffer if those leaders burn out. Supporting efforts to build resilience, well-being, and growth of an organization's leaders can help to preserve those top-notch inputs. The Z. Smith Reynolds Foundation in North Carolina provides sabbatical funding for nonprofit leaders to re-energize and refresh; as part of this program, the foundation offers monetary support both to the individual leader and organization as a whole.[50] The Skoll Foundation was a key partner in the Well-Being Project which sought to catalyze "a culture of inner wellbeing for all changemakers" through development of evidence-based programs and convenings.[51]

Go beyond funding.

Providing capital is one lever that funders/investors have, but it is not the only one. For example, a funder's external perspective can help identify gaps and needs and offer creative solutions to more effectively navigate the challenges of talent during scaling:

- **Foster learning collaboratives among organizations.** Use your convening power to bring your portfolio of organizations together, in person or virtually, around topics of human capital. Introduce the functional heads working on talent (or other functional areas) to each other so that they can continue to collaborate on their own and learn from each other.

- **Provide advice and connections to organizations as they manage talent.** What have you seen work (or not work!) in your portfolio related to right-sizing HR teams, the balance of central vs. decentralized control, and other areas? Can you share job descriptions from other organizations to guide recruiting best practices for key scaling positions? Can you help advertise job openings through your networks? Can you conduct landscape research and offer recommendations/connections regarding local recruiting firms or PEOs, technology providers for tools to manage teams, and more?

- **Think at the portfolio and/or ecosystem level.** Instead of working at an organization-by-organization level, identify portfolio-wide needs that you could support. If your portfolio is geographically focused, there may be opportunities to help seed and build networks and infrastructure to train recruiters and other talent intermediaries in that location. Blue Haven Initiative has been doing this type of work in East Africa, using its grant funding to professionalize the credential process for HR managers in the region.

Moving Away from Overhead

A common refrain from social enterprises was a plea to reframe the conversation about talent away from indirects or overhead percentages and focusing instead on mission-critical investments that are directly related to impact.

- "There is no way to deliver a quality project on the ground without overhead. We need the people making sure the finances are accurate, the curriculum written, the government partnerships managed. In order to create systems change, we need to invest in the professional development of our team, yet it's the piece that funders never want to pay for." - Survey respondent

- "One story was particularly eye-opening for me as a funder: I was talking to the CEO of an incredibly successful organization. They have 200 employees and growing, work across multiple countries, and want to hire a chief people officer so that they could really focus on their personnel strategy and building a positive and cohesive organizational culture as they scale. But the CEO felt that she didn't have the money and that her funders weren't willing to invest in this. And I think it speaks to this idea that we [funders] really need to flip our mindset from one that sees talent as simply overhead to something that is mission critical. If we as funders are asking for impact at scale, we should be willing to invest in the people and processes that are needed to realize it." – Elyssa Lewis, Analyst, Skoll Foundation

KEY TAKEAWAYS FOR SOCIAL ENTREPRENEURS

Putting Talent on the Agenda

What are the key talent-related topics and questions that management teams need to add to the agenda as they work to achieve impact at scale? *Hint: they are not the same ones the organization tackled during start-up and validation.*

Scaling Pathways' *People Matter: Evolving Talent to Drive Impact at Scale* draws on the experience of successful social enterprises to pull out those topics unique to the scaling stage. The topics and questions below can help inform senior management meeting agendas. The strategy memos throughout the paper provide additional advice and tactics for each of these topics.

27	28	29	30	31
Sr Mgmt Mtg		?		Exec Team Mtg

Is TALENT regularly on your agenda?

BUILD THE TEAM: Define and Fill Key Roles for Scale

Assembling the right mix of talent might mean evolving your team—shifting from a place where everyone wears multiple hats to one where roles are more differentiated. It could mean hiring more local and diverse talent and/or leveraging partners and volunteers to extend your own team's capacity. Whichever avenues you pursue, assembling the right team is critical to scale your impact effectively.

☐ **Differentiated roles**. How can we evolve the roles and responsibilities within our organization to align with our phase of growth and scale? Should the multiple roles of any one team member (e.g., day-to-day management and fundraising) be split up to reflect the need for increased focus or the abundance of work?

☐ **Tomorrow's talent needs**. How can we make certain we have the right talent at the right time so the skills and experience are in place to power our impact? What are the gaps between the talent abilities and capacity we will need two to three years from now and what we currently have? Are there any staff who can no longer meet the needs of the organization or are not interested in our changing directions?

☐ **Local talent**. How can we effectively engage and develop local talent to support and drive impact at scale? How will we include the pool of local talent in our leadership pipeline, and how can we be more efficient in recruiting local talent in new locations?

☐ **Equity and diversity**. How can we build and sustain diverse and equitable teams to align with mission and bolster our ability to drive impact at scale? Are our hiring processes and internal culture reinforcing our ability to build empowered, diverse, and equitable teams?

☐ **Volunteer empowerment**. How can volunteers be used as critical partners in scale in ways that are mission aligned, high quality, and sustainable? How can we increase the commitment and accountability of our volunteers?

☐ **Leveraging external partners**. How can we effectively engage the expertise and bandwidth of external partners, decreasing the need to grow our own organizational footprint? What types of structures and functions do we need to effectively manage such partners?

CREATE THE INFRASTRUCTURE: Evolve Systems and Structures to Empower Talent

Even with the best people and partners in place, you will need organizational structures and systems to manage and empower that talent and help them succeed. Do you centralize or decentralize control and decision-making? Do you evolve your board? What kind of systems do you put in place to manage dispersed teams (whether those teams are staff or external partners)?

☐ **HR Infrastructure**. How do we formalize and evolve the structures to oversee talent as our organization scales? What functions do we need to support our talent, and how will we spread that responsibility across the organization?

☐ **Locus of control**. How should the locus of control within our organization evolve to empower our talent to drive sustainable impact at scale? How should the role of a central office or headquarters change to reflect any shifts in strategy?

☐ **Board alignment**. How do our board needs change along with our evolving scaling strategy, to ensure this critical part of our team can help drive toward impact? What critical skills and functions on the board will support our scaling strategy, and how do we ensure our board remains connected to the core communities we serve?

☐ **Dispersed or large teams**. As our team grows and/or becomes more dispersed, how can we continue to connect team members so that they work together toward our goals? How can we create virtual proximity through technology platforms, and how can we ensure continued alignment with organizational strategy?

POWER THE JOURNEY: Cultivate, Motivate, and Retain Your Talent

As you and your team navigate the bumpy road to scale, it's critical to cultivate and motivate your talent to evolve with you and stay the journey. By developing intentional strategies for formalizing talent development and incentives and managing culture, you can help your talent stay motivated and driven toward impact.

☐ **Talent development**. How can we create a talent development strategy to grow our leadership power and ready our employees for the challenges that scale will bring? How do we instill a culture of continuous learning and determine the right balance of development opportunities?

☐ **Non-salary incentives**. How can we best leverage non-salary incentives to effectively motivate and retain talent during scale? How can we maximize the intrinsic motivations of our staff?

☐ **Organizational culture**. How can we continue to evolve and leverage our organizational culture to drive performance—especially as we pursue different scaling pathways? How do we integrate values and culture into talent management, and how can we recognize (and address) potential culture friction points?

APPENDIX A:
Project Overview & Methodology

PROJECT: The Scaling Pathways project brings together the Innovation Investment Alliance (IIA) (a funding and learning partnership between the Skoll Foundation and USAID's Global Development Lab, with support from Mercy Corps Ventures) and the Center for the Advancement of Social Entrepreneurship (CASE) at Duke University to study organizations that are attempting to scale impact and draw out lessons that are applicable to the social enterprise community at large. In Phase 1 of Scaling Pathways, we shared high-level lessons about scale in Pivoting to Impact and profiled the scaling journeys of three organizations—VisionSpring, Imazon, and Evidence Action—in in-depth Case Studies. In Phase 2, we are creating Theme Studies that distill advice from a variety of social enterprises related to financing, government partnerships, talent, and data. Find the full series at www.scalingpathways.com.

PROCESS: The Scaling Pathways partners surveyed social enterprises from across the Innovation Investment Alliance, USAID's Development Innovation Ventures (DIV), and the Skoll Foundation portfolios to understand the challenges that they face on the road to scale. From this initial set of 100+ leading social enterprises, we conducted in-depth conversations with funders and reviewed literature and background materials to identify enterprises that we believed had interesting stories and lessons to share about each theme. We then conducted interviews and literature reviews (by theme and by organization) and conducted analyses for each of the enterprises interviewed. We also distributed a follow-up survey to 100+ social enterprises in the Skoll Foundation and USAID/DIV portfolios to gather additional insights specific to government partnerships (see more information below).

As part of the interview process, we gathered insights from the following individuals whose organizations are highlighted throughout the paper:

> Konstanze Frischen, Executive Director, Ashoka North America; Lorraine Orr, Chief Operating Officer, Boys & Girls Clubs of America; Lucy Lake, CEO, CAMFED; Sandra Spence, Director of Global Partnerships, CAMFED; Elizabeth Sweezey Morrell, Director of Community Operations, Crisis Text Line; Jagdeesh Rao, Chief Executive, Foundation for Ecological Security; Jonathan Reckford, CEO, Habitat for Humanity; Maryana Iskander, CEO, Harambee Youth Employment Accelerator; Sharmi Surianarain, Solutions Design, Harambee Youth Employment Accelerator; Rob Urquhart, Executive for Knowledge and Research, Harambee Youth Employment Accelerator; Gary Cohen, Founder & President, Health Care Without Harm; Alexandra Quinn, CEO, Health Leads; Hannah Nicolas, Director of People and Culture, Health Leads; Ken Himmelman, (former) Chief of Partnerships, Health Leads; Carla Javits, President & CEO, REDF (The Roberts Enterprise Development Fund); Kevin Trapani, President & CEO, The Redwoods Group; Jared Chase, (former) Chief Operating Officer, Root Capital; Nancy Everett, General Counsel & Chief Talent Officer, Root Capital; Alden Zecha, co-Founder & (former) CFO, Sproxil; Paul Sansone, Partner – Finance & Operations, TechCXO; Everett Harper, CEO & Co-Founder, Truss, The Infrastructuralists; Laura Callanan, Founding Partner, Upstart Co-Lab; and Ella Gudwin, CEO, VisionSpring. We also relied upon previous interviews with Ana Pantelic, Chief Strategy Officer, Fundación Capital; Thea Aguiar, Deputy Managing Director, One Acre Fund; Elisa Villanueva Beard, CEO, Teach for America; Neil Jeffery, Chief Executive, Water & Sanitation for the Urban Poor; and Lisa McCandless, Director of Business Development, Living Goods.

We distributed a second survey to the 100+ social enterprises in the Skoll Foundation and USAID/DIV portfolios. We received responses from 31 enterprises; 21 of those were complete submissions. Sixty-five percent of the organizations reported having over 50 full-time employees, with 55 percent of those reporting having over 200 employees. Seventy-one percent were nonprofit organizations, with the remainder a mix of for-profit and hybrid organizations. Sixty-two percent reported being in operation for ten years or more, and one-third reported an annual budget of more than USD$10 million (with another 43 percent reporting being between USD one and ten million). The organizations spanned all regions and many sectors, including health, economic opportunity, education, environmental sustainability, and peace and human rights.

APPENDIX B

Organizations featured in Scaling Pathways' *People Matter: Evolving Talent to Drive Impact at Scale* [52]

BOYS & GIRLS CLUBS OF AMERICA

bgca.org

Boys & Girls Clubs of America is a national federated non-profit youth development organization with clubs spanning across the nation and worldwide. The mission of BGCA is to enable all young people, especially those in the greatest need, to reach their full potential as productive, caring, responsible citizens. Clubs provide a fun, safe, and constructive environment for kids and teens during out-of-school hours and offer programs and services to help young people succeed in school, develop leadership skills, and maintain healthy lifestyles.

Regions Served	Legal Structure	Impact Area	Year Founded
United States and military installations worldwide	Nonprofit	Youth Education, Economic Opportunity	1906

CAMPAIGN FOR FEMALE EDUCATION (CAMFED)

camfed.org

CAMFED is an international non-profit organization that tackles poverty and inequality by supporting girls to go to school and succeed and empowering young women to step up as leaders of change. With a focus on girls and young women in sub-Saharan Africa, CAMFED engages whole communities to partner in the effort of multiplying and sustaining educational opportunities.

Regions Served	Legal Structure	Impact Area	Year Founded
Zimbabwe, Zambia, Ghana, Tanzania, and Malawi	Nonprofit	Women's And Girls' Education, Economic Opportunity, Livelihoods	1993

CRISIS TEXT LINE

crisistextline.org

Crisis Text Line saw the need to create rapid-response crisis counseling by leveraging big data and the dominant communication medium of today—text messaging. Crisis Text Line supports people in imminent danger and uses its real-time data to continuously improve its intervention services. Crisis Text Line hosts the largest public dataset on mental health and shares aggregated and anonymized data via CrisisTrends.org with the goal of strengthening the broader mental health system.

Regions Served	Legal Structure	Impact Area	Year Founded
USA, Canada, United Kingdom	Nonprofit	Mental Health, Health Delivery	2013

FOUNDATION FOR ECOLOGICAL SECURITY

fes.org.in

The Foundation for Ecological Security (FES) works toward conservation of nature and natural resources in India through the collective action of local communities. FES accomplishes this work through three fundamental cornerstones: Ecological Restoration—conserving nature and restoring and managing natural resources; Commons and Community Institutions—strengthening institutions and enhancing the capacity to self-govern; and Rural Livelihoods—securing livelihoods that are dependent on natural resources and assisting communities to determine and adopt consumption levels within the ecological capacity of the area.

Regions Served	Legal Structure	Impact Area	Year Founded
India	Nonprofit	Arresting Deforestation, Economic Opportunity, Environmental Sustainability, Livelihoods	2001

HARAMBEE YOUTH EMPLOYMENT ACCELERATOR

harambee.co.za

Harambee Youth Employment Accelerator builds scalable solutions for the youth labor market across the formal and informal economy. Its matching tools and real-world training methodology help employers quickly and reliably gauge work-readiness and increase retention. Harambee is scaling its impact through expanding government and business partnerships and through knowledge sharing for practitioners to adopt and learn from the model.

Regions Served	Legal Structure	Impact Area	Year Founded
Rwanda, South Africa	Nonprofit	Economic Opportunity, Youth Job Skills	2011

HEALTH CARE WITHOUT HARM

noharm.org

Health Care Without Harm works to transform health care worldwide so that it reduces its environmental footprint and becomes a community anchor for sustainability and a leader in the global movement for environmental health and justice. Its coalition collaborates with doctors, nurses, hospitals, healthcare systems, professional associations, NGOs, governments, and international organizations to promote the development and implementation of safe and environmentally healthy practices, processes, and products in the health care sector.

Regions Served	Legal Structure	Impact Area	Year Founded
Latin America, Asia, Europe, United States, Canada, Global	Nonprofit	Clean Energy, Environmental Sustainability, Healt, Responsible Supply Chains, Sustainable Markets	2002

HEALTH LEADS

healthleadsusa.org

Health Leads partners with communities and health systems to address systemic causes of inequity and disease by removing barriers that keep people from identifying, accessing, and choosing the resources everyone needs to be healthy. Health Leads focuses on addressing health-related social needs (e.g. food, housing, utilities) through a multi-pronged approach, including partnering with (and supporting the goals of) local communities, accelerating learning on a national level through networks and collaboratives, driving adoption of open-source data strategies, and targeting advocacy at all levels.

Regions Served	Legal Structure	Impact Area	Year Founded
United States	Nonprofit	Health, Health Delivery	1996

ONE ACRE FUND
oneacrefund.org

One Acre Fund provides smallholder farmers in the most vulnerable regions a complete bundle of services focused on helping them increase their yields and farm profits, improve resilience, eliminate chronic hunger, and contribute to health. This bundle includes financing for the purchase of inputs required at the beginning of the season (e.g., seeds and fertilizer), delivery of farm inputs, training on modern agricultural techniques, and market facilitation.

Regions Served	Legal Structure	Impact Area	Year Founded
Africa	Nonprofit	Economic Opportunity, Agriculture, Financing	2006

ROOT CAPITAL
rootcapital.org

Root Capital finances and supports small and growing agricultural businesses unreached by other lenders in poor, environmentally vulnerable regions, with the goal of growing rural prosperity. Using a mix of philanthropic and debt capital, Root Capital provides these businesses with loans and training and also engages in general market-strengthening and thought leadership work across the field.

Regions Served	Legal Structure	Impact Area	Year Founded
Africa, Latin America	Nonprofit	Economic Opportunity, Agriculture, Financing	1999

TEACH FOR AMERICA
teachforamerica.org

Teach For America works to help address the deeply rooted educational challenges in the United States which have led to widespread educational inequity. Its approach includes finding promising leaders to commit to teaching in low-income areas, supporting these leaders to advance students' growth, developing these leaders into systems-change leaders, and fostering collective leadership among these leaders.

Regions Served	Legal Structure	Impact Area	Year Founded
United States	Nonprofit	Education	1989

VISIONSPRING
visionspring.org

VisionSpring provides affordable, high quality eyeglasses to people living on less than $4 a day. The organization accomplishes its work through a network of distributors and "micro-franchises," also providing livelihoods for community-based entrepreneurs.

Regions Served	Legal Structure	Impact Area	Year Founded
Asia, Africa, Latin America	Nonprofit	Health, Livelihoods	2001

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Scaling Pathways

Insights from the field on unlocking impact at scale

The Innovation Investment Alliance (IIA):

The Innovation Investment Alliance (IIA) is a funding and learning partnership between the Skoll Foundation and USAID's Global Development Lab, with support from Mercy Corps, that has invested over $50 million in eight proven, transformative social enterprises to scale their impact. In 2017, with all its funding committed, the IIA is focusing on drawing out lessons on scaling that are applicable to the social enterprise community with the aim to inform the ongoing conversation on how to create systems-level change and sustainable impact at scale.

The IIA's partners include:

- **The Skoll Foundation** drives large scale change by investing in, connecting, and celebrating social entrepreneurs and the innovators who help them solve the world's most pressing problems. Skoll brings an expertise in identifying and cultivating social entrepreneurs. Learn more at www.skoll.org.The U.S. Global Development Lab (The Lab) increases the application of science, technology, innovation, and partnerships to achieve, sustain, and extend USAID's development impact to help hundreds of millions of people lift themselves out of extreme poverty. The Innovation Investment Alliance is supported by The Lab's Center for Tranformational Partnership. Learn more at www.usaid.gov/globaldevlab.

- **The U.S. Global Development Lab (The Lab)** The U.S. Global Development Lab (The Lab) serves as an innovation hub. It takes smart risks to test new ideas, and partners within USAID and across other actors to harness the power of innovative tools and approaches that accelerate development impact. The Lab brings together diverse partners to catalyze the next generation of breakthrough innovations to advance USAID's mission to save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance. Learn more at www.USAID.gov/GlobalDevLab

- **Mercy Corps Ventures** leverages the global resources and reach of a leading development agency to provide high-impact enterprises with investment capital, value-added support and catalytic partnerships so they can scale solutions for underserved populations in fragile, frontier markets. Learn more at www.mercycorps.org/ventures.

The Center for the Advancement of Social Entrepreneurship (CASE) at Duke University:

CASE is an award-winning research and education center based at Duke University's Fuqua School of Business. Since 2002, CASE has prepared leaders and organizations with the business skills needed to achieve lasting social change. Through our research, teaching, and practitioner engagement, CASE is working toward the day when social entrepreneurs will have the skills, networks, and funding needed to scale their impact and solve the world's most pressing social challenges. Learn more at www.caseatduke.org.

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