

SOCIAL SECTOR CEO TRENDS

2013 Survey

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Introduction

Waldron and the Nancy Bell Evans Center on Nonprofits & Philanthropy at the Evans School of Public Affairs, University of Washington jointly conducted a survey during the first quarter of 2013. This survey targeted the most senior executives of a select group of the largest NGOs and foundations based in the United States. We set out to determine the typical career paths taken by these leaders and to gain insight into how many of today's social sector CEOs have "migrated" from other sectors. While this survey reveals some of the most common channels to a CEO position, it more broadly illustrates how the lines between the public, private, and social sectors are blurring. This is the first of an annual survey series, which will allow us to follow trends over time.

It is no surprise that, similar to general labor trends, CEOs in the social sector are aging and many are thinking about retirement. What is surprising, however, is that less than half of those surveyed indicated that their organization has a succession plan in place. Thus, when many of the CEOs leave, their boards would simply recruit a replacement. But with so much of the talent pool heading off into the sunset, and few or no development programs in place to groom new leaders, the candidate pools for these positions are becoming increasingly and worryingly scarce.

Compounding the CEO talent gap is the voracious growth of the social sector and its derivatives. The number of foundations alone has doubled in the last two decades. In 1995, when many of the now aging CEOs were mid-career, there were 9,100 registered foundations. Today, there are 22,827. During the same period, the number of larger nonprofits increased from 12,665 to 30,113.¹ In recent years, non-traditional or fourth sector organizations engaged in social enterprise, impact investing, and public/private joint ventures have also grown at an astounding rate. Many of these new organizations recruited leaders from the more traditional foundations and nonprofits, draining these organizations of their ascending talent.

Our survey reveals one bright spot in this picture - foundation and NGO CEOs are more than ever willing to hire from the private sector for positions on their leadership teams. At the same time, many mid-career private sector executives are yearning to find more meaning in their work and are therefore pursuing impact careers in the social sector. As long as these candidates are able to demonstrate how their skills and experience successfully translate to a nonprofit setting, are willing to adjust to a slightly different culture, and have a deep passion for the mission, CEOs will take a chance for most "C" level vacancies. As we look out ten years and beyond, we will need this cohort of leaders to take on the challenges of running our largest foundations and NGOs.

Tom Waldron
Founder and CEO
Waldron

Sandra O. Archibald
Dean, Evans School of Public Affairs
University of Washington

1. Internal Revenue Service, Exempt Organizations Business Master File. The Urban Institute, National Center for Charitable Statistics

For the purposes of this survey report we use certain terms as follows:

CEO: Chief Executive Officer (CEO) refers to the most senior executive and includes the titles of President and Executive Director (ED).

Social Sector: Organizations that are not operated by the government and are not for-profit businesses.

Public Sector: Institutions that are government owned and/or operated.

Private Sector: For-profit businesses that are not owned or operated by the government.

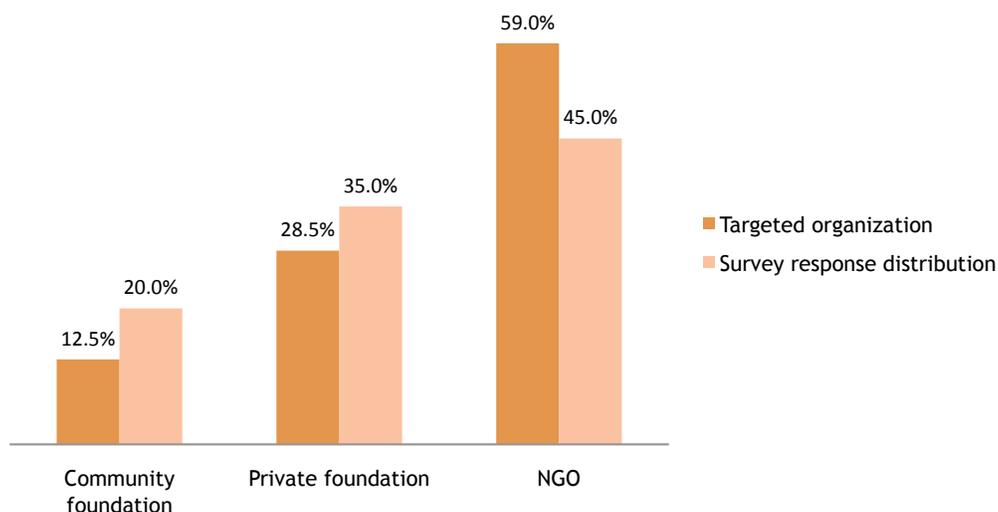
Methodology

The Social Sector CEO Survey was conducted jointly by Waldron and the Nancy Bell Evans Center at the Evans School of Public Affairs, University of Washington in February 2013. The survey targeted the most senior executives – 494 CEOs, Executive Directors and Presidents – of non-governmental organizations (NGOs) and foundations based in the United States that met a minimum operating budget requirement. University and hospital foundations were excluded. The budgets were determined according to the most up-to-date IRS Form 990 information available when the survey was administered. NGOs were targeted if their operating budgets were greater than \$25 million and foundations (both private and community) were targeted if their organization's assets exceeded \$150 million. We received 65 surveys for a 13 percent response rate. The sample includes individuals with titles indicating that they were the top-level executive in the organization and for whom a functioning email address could be located; however the response rate does not account for emails that never reached respondents (i.e. were never opened or were diverted to spam) and thus is very conservative.

The survey was conducted online. Participants were sent a description of the study, a statement of anonymity and confidentiality, and a link to the survey. The survey included 51 questions, the majority of which were quantitative in nature. Survey topics included: organization and CEO demographics; CEO transitions to the social sector and how they arrived at their current position; governance and the board of directors; and whether different competencies are needed for social sector leadership. Five key informant interviews were also conducted with survey volunteers to further explore survey findings.

The individuals surveyed and interviewed are a good representation of the target group. The survey sample includes a representative mix of NGOs, private foundations and community foundations. The breakdown of women and men respondents exactly represents the target CEO demographics. Furthermore, there is a good geographic distribution of respondents.

Breakdown of CEO survey respondents



Targeted gender demographics

- Female 29%, Male 71%

Survey response gender demographics

- Female 29%, Male 71%

The social sector CEO: An overview

The organizations

The CEOs: What are the demographics?

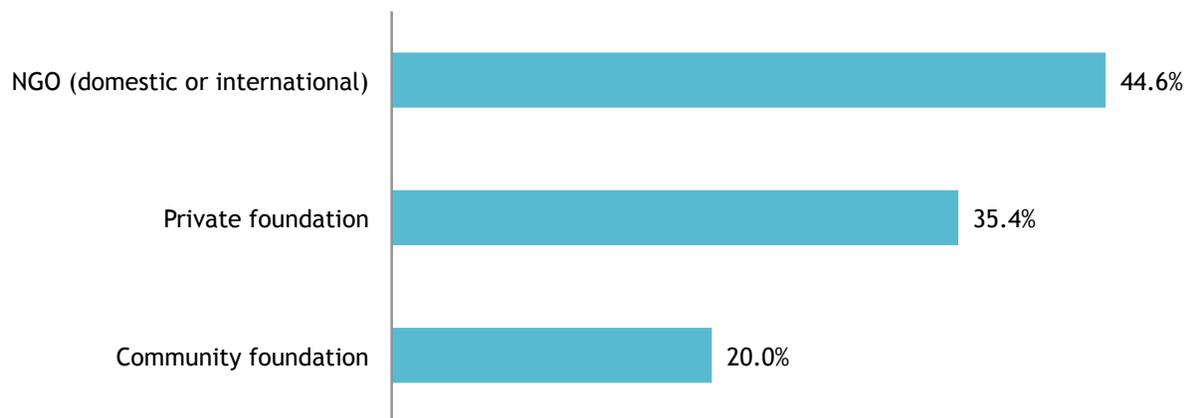
Key findings

- 87% of respondents are above the age of 50.
- 39% are over 60.
- Women make up 29% of CEOs.
- 84% of CEOs surveyed have an advanced degree.

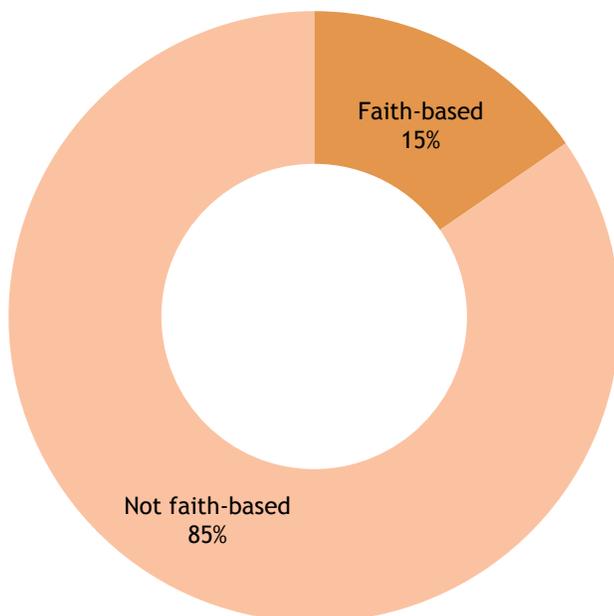
The organizations

The following graphs show the distribution of responding organizations, as well as the distribution of organization size according to number of employees and organization assets.

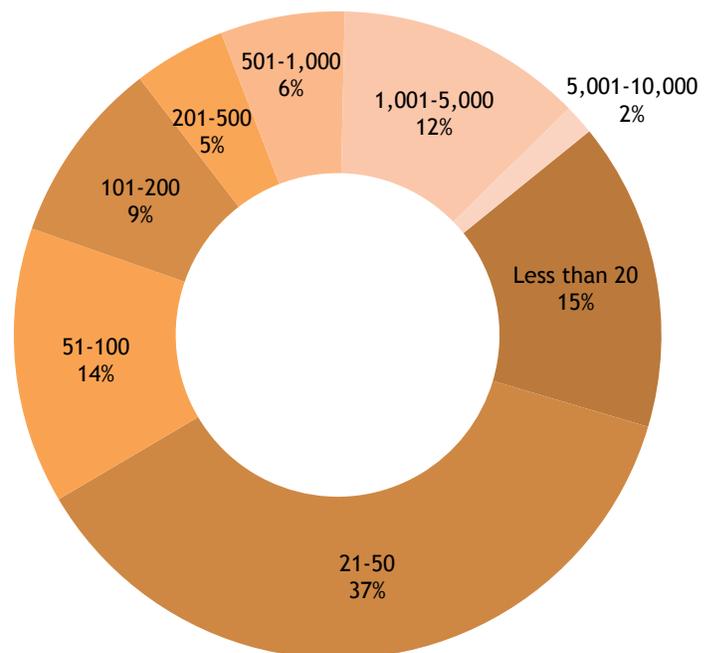
CEO survey respondent organization types



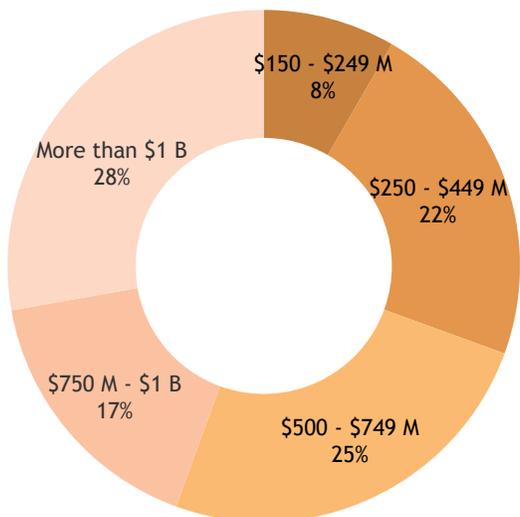
CEO survey respondent faith-based organizations



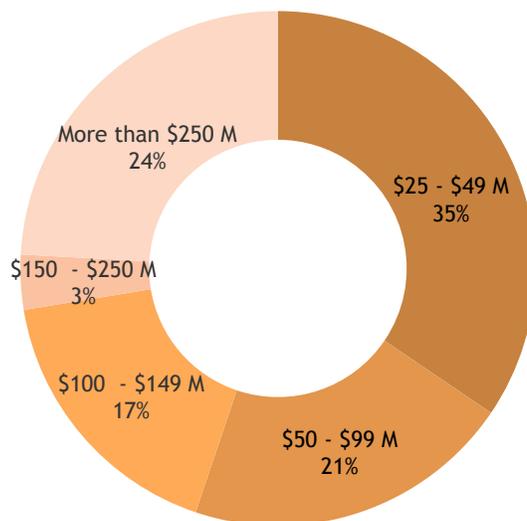
CEO survey respondent number of paid employees



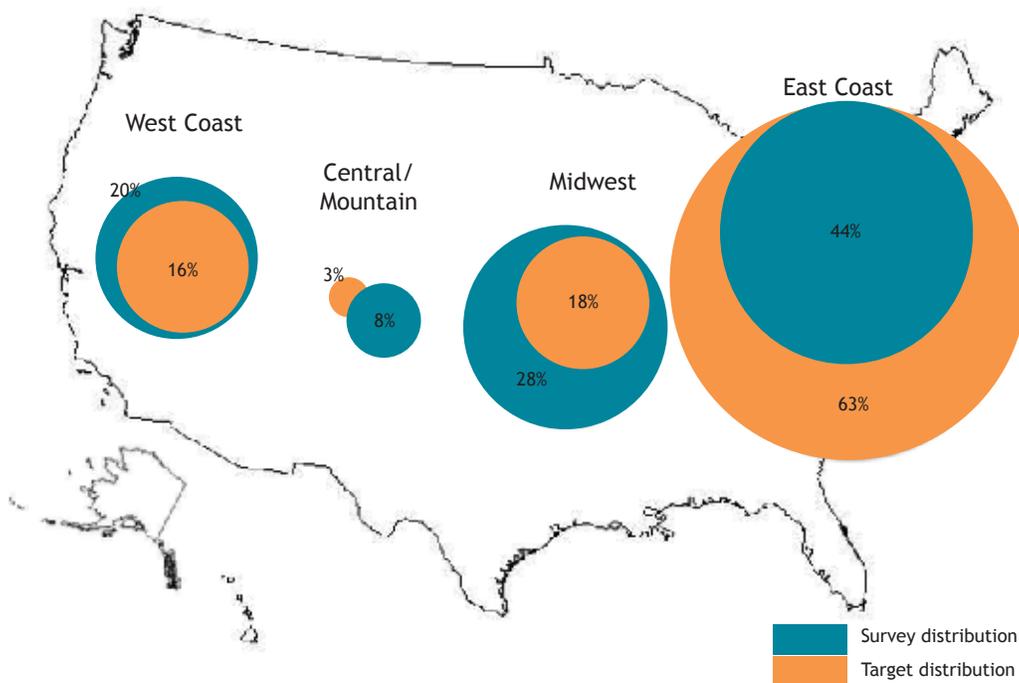
CEO survey respondent foundation assets (36 total)



CEO survey respondent NGO operating budget (29 total)



Geographic distribution



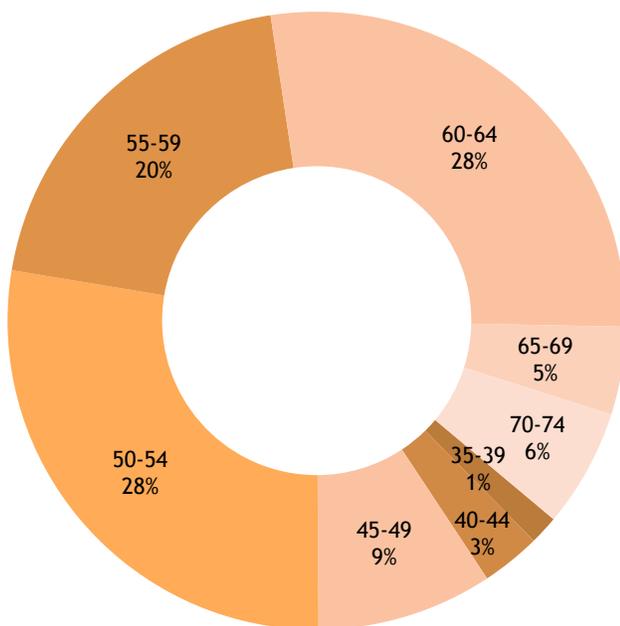
The CEOs: What are the demographics?

Age & tenure

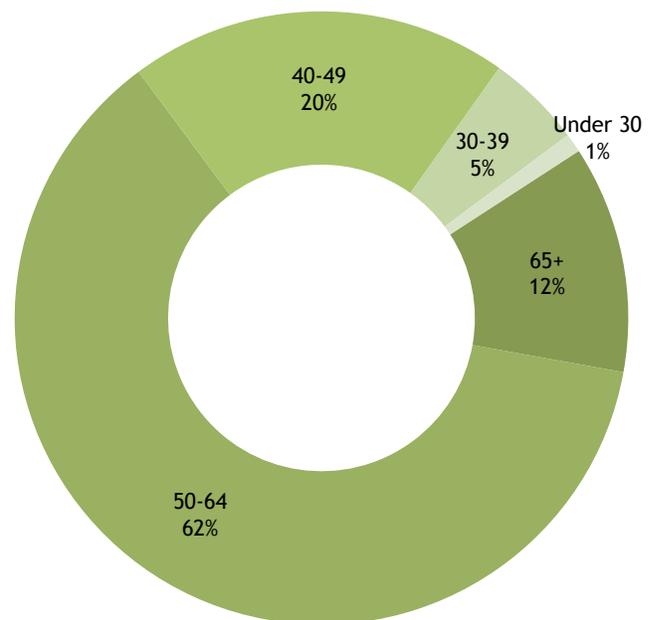
87% of respondents are over 50 years old, with 59% above the age of 55. Our sample of large NGOs and foundations has a larger percentage of CEOs in the 50-64 age range (76% vs 62%) than all nonprofit organizations.

Because the position of CEO requires a developed skill set, it is understandable that CEOs of complex organizations will have acquired years of experience before being offered and taking on the responsibilities of the role. There is a natural correlation between the role and the age of incumbents. Demographic data suggest these trends reflect general labor market trends that are likely to continue.

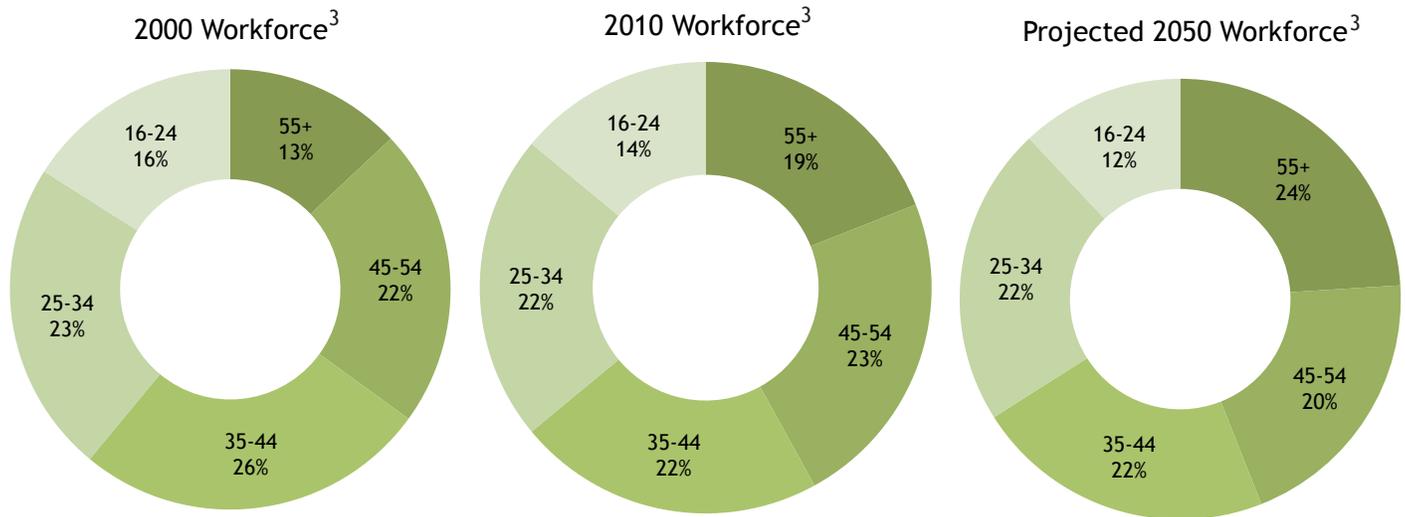
Age of CEO survey respondents



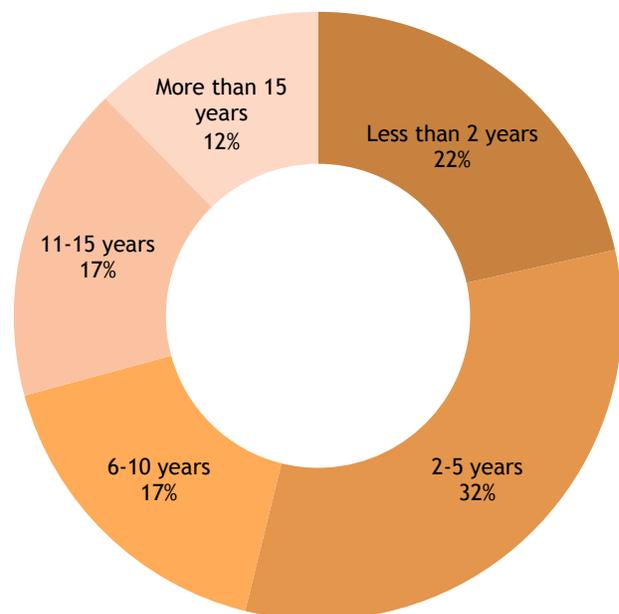
CEO age all nonprofits (2012)²



The 55 years and older segment of the labor force is projected to increase while all other age segments will remain constant or decrease. So even as younger generations move into these leadership positions, the aging trend of the general labor force suggests that the social sector CEO age will not change much. If there is movement, it will likely be an increase in the percentage of CEOs above 55 years of age.



CEO survey respondents
number of years in current position



Average tenure for:

- Foundation CEOs: 8 years⁴
- NGO CEOs: 9.1 years⁵
- Fortune 500 CEOs: 4.6 years⁶

3. <http://www.bls.gov/opub/mlr/2012/10/art1full.pdf>

4. 2010 Grantmakers Salary and Benefits Report by Council on Foundations

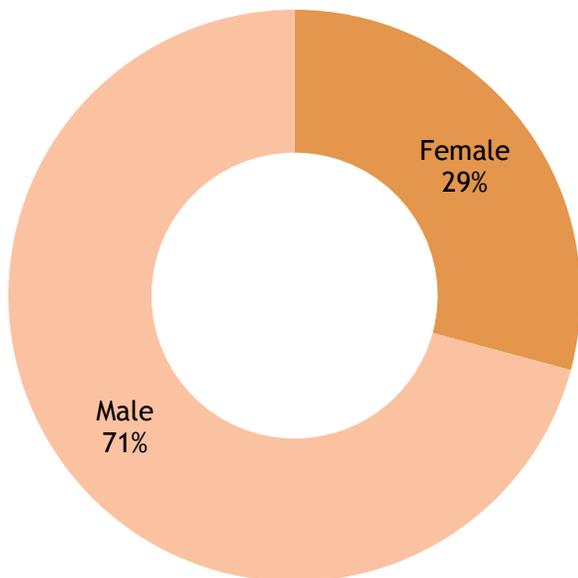
5. Nonprofit Governance Index 2012 by BoardSource

6. Wall Street Journal <http://blogs.wsj.com/deals/2011/09/15/why-your-ceo-could-be-in-trouble/>

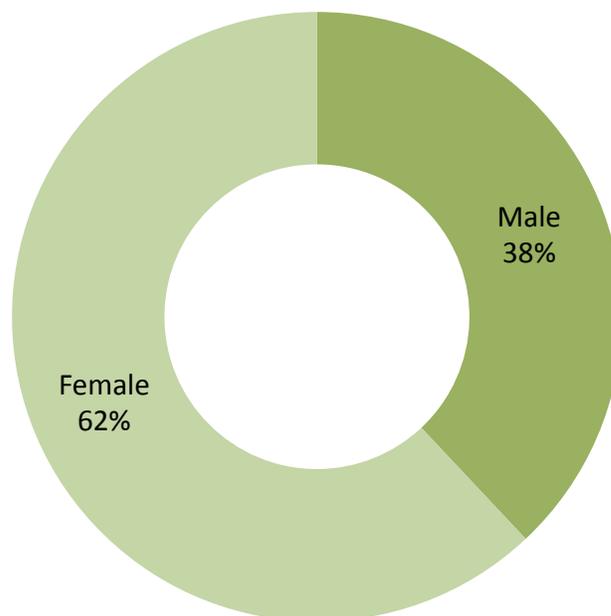
Gender

Just under 30% of the survey respondents are women. This number is significantly higher than the percentage of female Fortune 500 CEOs (4.2%), and lower than the 62% of all nonprofits with women CEOs. This indicates that larger social sector organizations may be a step ahead of their private sector counterparts in gender diversity.

Gender of CEO survey respondents



Gender all nonprofit CEOs (2012)⁷



Women in business⁸



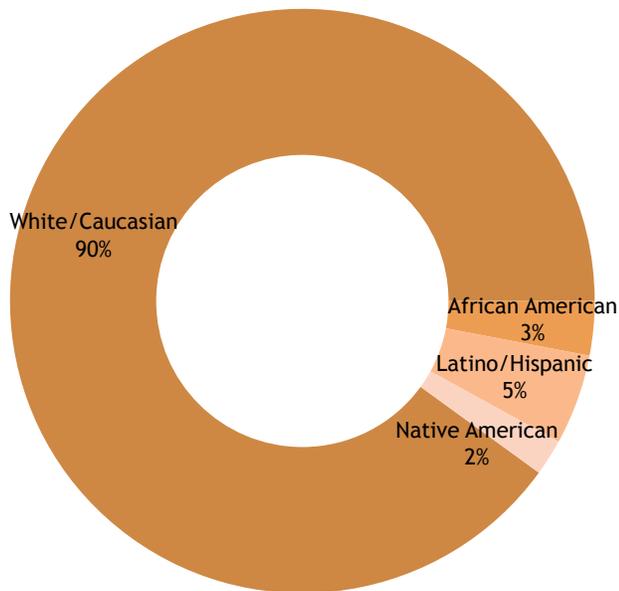
7. BoardSource, Nonprofit Governance Index 2012

8. Catalyst Pyramid: U.S. Women in Business. New York: Catalyst, 2013

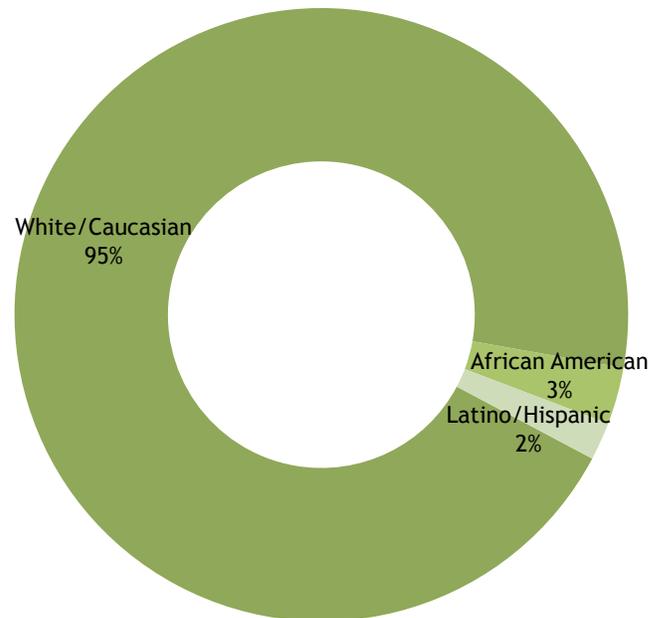
Ethnicity

90% of CEOs surveyed identify as White/Caucasian. The CEO ethnicity composition of large social sector organizations appears to be more diverse than that of Fortune 500 companies.

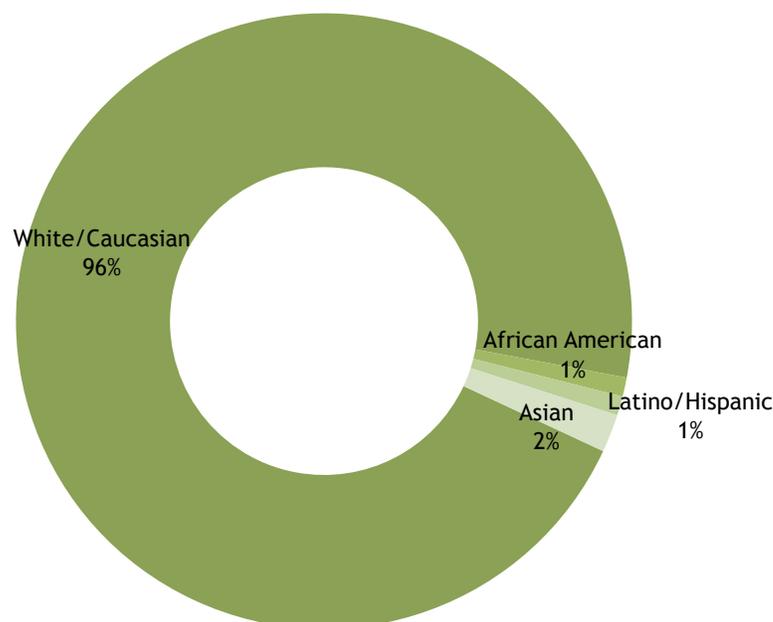
Ethnicity of CEO survey respondents



Ethnicity all nonprofit CEOs⁹



Fortune 500 CEO ethnic diversity¹⁰



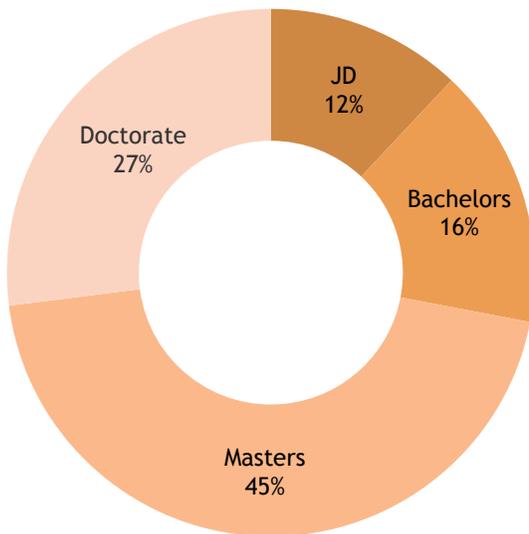
9. BoardSource, Nonprofit Governance Index 2012

10. Diversity Inc., Where's the Diversity in Fortune 500 CEOs? <http://www.diversityinc.com/facts/wheres-the-diversity-in-fortune-500-ceos/>

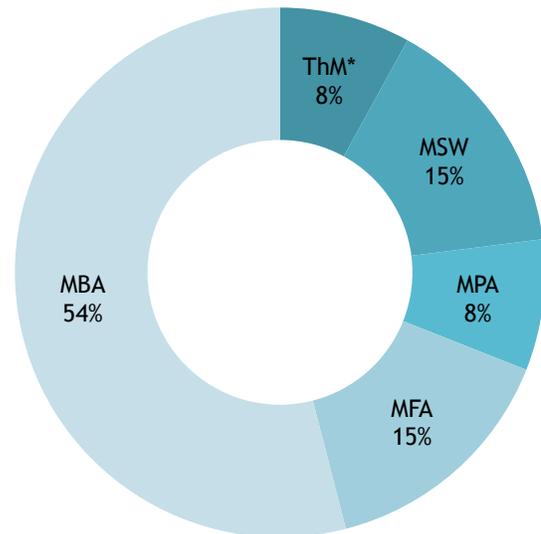
Education

The majority of CEOs surveyed (84%) have an advanced degree with 45% stating that they obtained a master's degree. The MBA was the most common master's degree reported, but MPA degrees were over-represented among the respondents given the relatively smaller number of those degrees awarded each year.¹¹ Social sector CEOs are more likely to have an advanced degree than their Fortune 500 counterparts.

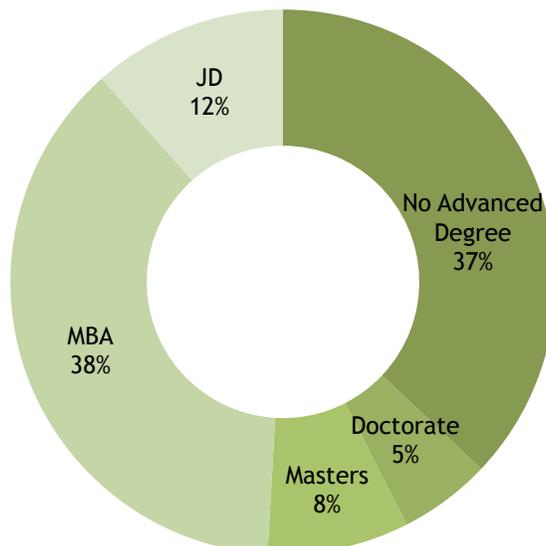
CEO survey respondents
highest level of education



CEO survey respondents
specific Masters degrees



Fortune 500 CEO highest level of education¹²



*Master of Theology

11. According to the Department of Education there were 126,214 MBAs awarded in 2011. The National Association of Schools of Public Affairs and Administration estimates that between 12,000 and 14,000 MPA degrees are conferred each year in the U.S.

12. <http://www.statisticbrain.com/ceo-statistics/>

Title

The majority of respondents hold the title of CEO and/or President.

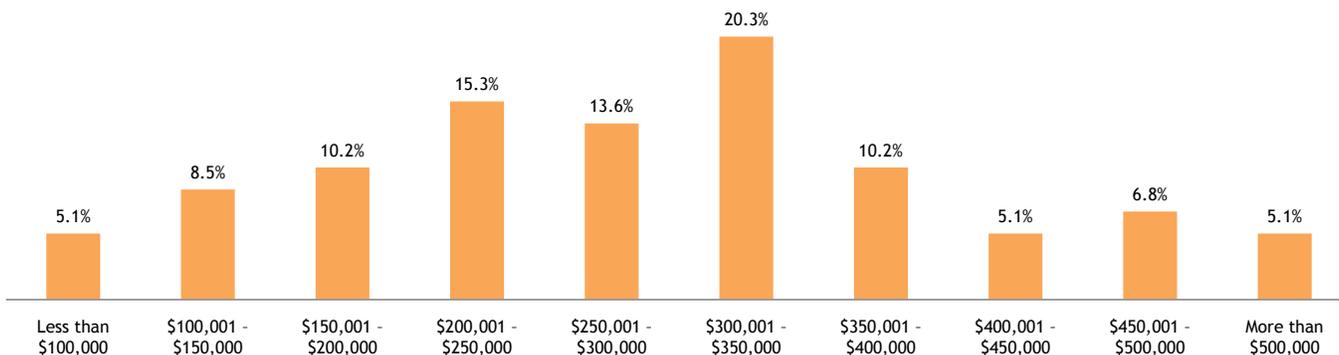
What is your title/role?
(Respondents were able to select multiple answers)

CEO	70.8%
President	50.8%
Executive Director	10.8%
Founder/Co-Founder	3.1%
Other	3.1%

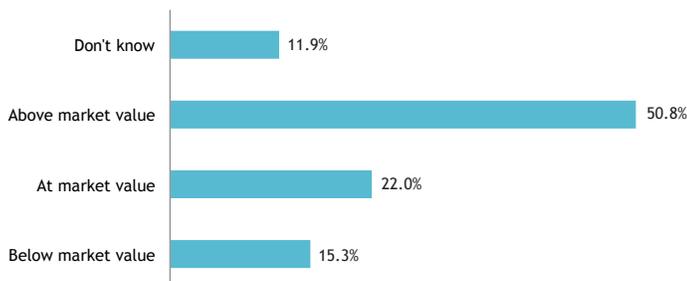
Salary

The majority of respondents earn between \$200,000 and \$350,000 in annual salary. The data suggest that for large social sector organizations, CEO salaries may be beginning to approach their private sector counterparts. While 55% of CEOs surveyed feel that their annual salary is below market value compared to the private sector, nearly 40% felt their salary was at private sector market value. Perceptions of public sector salaries continue to lag behind the social sector. Just over 50% of respondents feel their salary is above market value compared to the public sector, while only 15% felt they were below public sector market value.

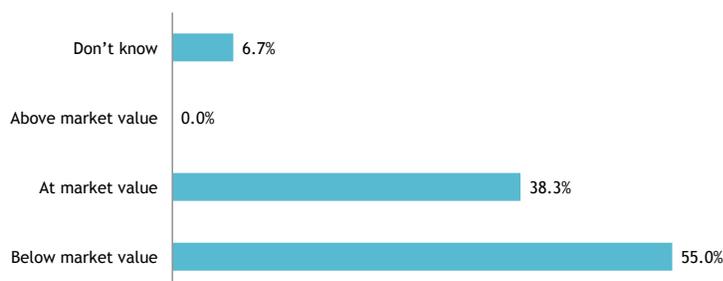
CEO survey respondents current annual salary
(excluding benefits and any non-monetary compensation)



Compared to your counterparts in the public sector, you feel that your compensation is:



Compared to your counterparts in the private sector, you feel that your compensation is:



Pathways to leadership: The inter-sector journey

Prior function

Why move? Mission is only part of the motivation

Sector transition

Prior sector

Previous social sector associations

Perceived competencies

Finding out about the CEO position: Networks are key

Coming on board: Challenges & coaching support

Reasons to leave

Key findings

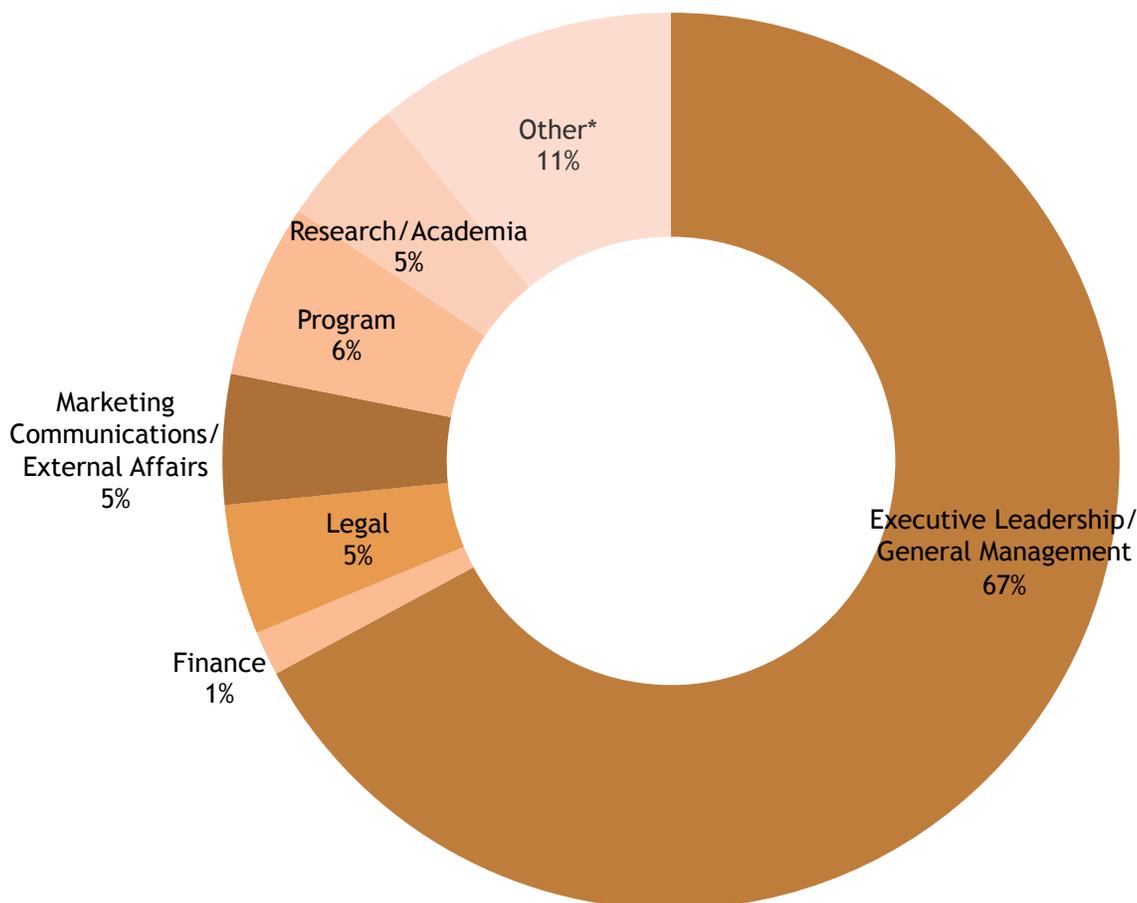
- Organization mission and a new challenge are the top motivations for accepting the CEO role.
- Nearly 60% of respondents have experienced a sector transition during their career.
- 62% of CEOs surveyed feel that running a social sector organization requires different competencies than the private or public sector.

Prior function

When we asked respondents about their function/department immediately prior to their current position, 2/3 indicated that they were in executive leadership positions before becoming CEO. None of the CEOs surveyed moved into their position directly from a purely HR or fund development position.

Interviewees explained that the larger representation of CEOs sourced from general management roles was likely due to the CEO role requiring generalist experience; deep and narrow functional experience is not as useful. While people will have moved into general management from functional roles, findings suggest that broader leadership experience is important to being considered for the top position at large social sector organizations.

What was your function/department immediately prior to this position?

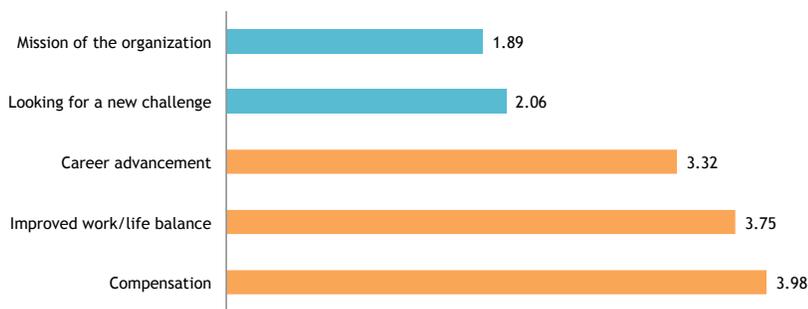


*Other includes: architect, customer services, consultant

Why move? Mission is only part of the motivation

CEOs indicated that their top motivation for accepting their current role was the mission of the organization, closely followed by looking for a new challenge. The CEOs interviewed confirmed these findings when they explained that mission was important, but not the sole driver in accepting their role. Most of the interviewees stated that mission and the professional challenge of running an organization well were equally important.

What were the most important motivations/factors in accepting your current role? Factors are ranked in order of importance with 1 being the most important.



Numbers shown represent averages of responses

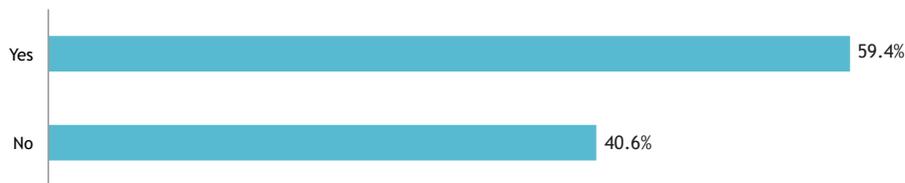
“I was passionate about being able to take the knowledge, skills and experiences I acquired as a successful executive to my current organization and to work with my former boss who is one of the co-chairs. We have an incredibly compelling mission that is transforming the lives of millions of people from lives of poverty and poor health to lives filled with opportunity and hope.”

CEO survey commentary

Sector transition

Nearly 60% of respondents have transitioned between sectors at some point during their career. The survey findings and conversations with current CEOs indicate that individuals increasingly view their career path as fluid among sectors or “inter-sector.”

Have you ever experienced a career transition from the private or public sector to the social sector?



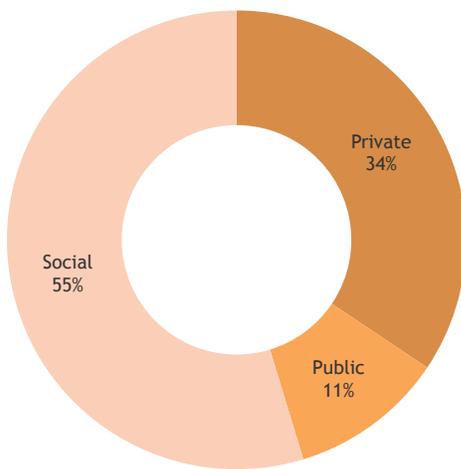
“It’s where I always intended to be. I spent 4 years at a small nonprofit, then one year in local government, then transitioned back into the social sector to work for a foundation.”

CEO survey commentary

Prior sector

Even though 60% of survey respondents experienced a sector transition during their career, 55% worked in the social sector immediately prior to taking on the CEO role. Very few - just 11% - transitioned to the CEO role directly from the public sector while 34% transitioned from the private sector. This suggests either that boards view prior experience in the social or private sector as essential, or that experienced candidates from the public sector may not be applying for nonprofit CEO roles.

Directly prior to your current position, in which of the following sectors did you work?

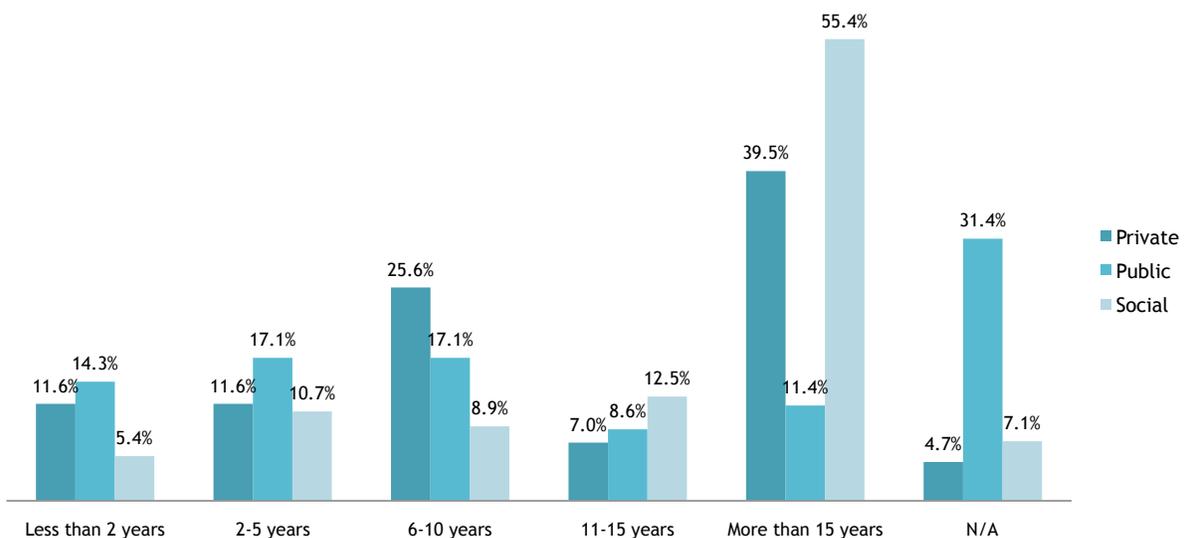


“I meet with people once a month who are interested in a career change from the for-profit sector and think that philanthropy would be a wonderful place to be. They always want to parachute over at the CEO level, but it is hard to break into the sector. I think there are a lot of perceptions of how you have to grow up in the sector to be good at the job, which I not only think is incorrect, but dangerous. I think it makes it very hard to get new thinking in the foundation ranks.”

Linda Childears
CEO & President
Daniels Fund

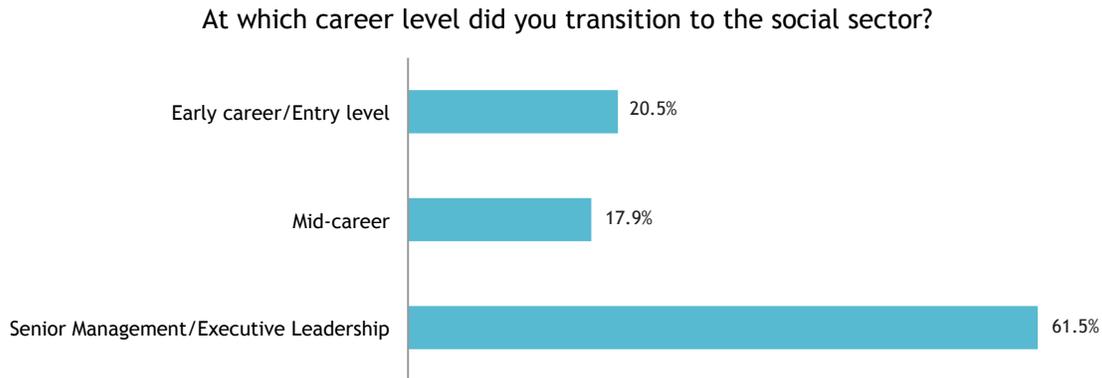
Time in prior sector(s)

During your career, how long did you work in the following sector(s)? Please indicate professional experience only. Check all that apply.



Career level at transition

More than 60% of the CEOs who worked in a different sector during their career transitioned to the social sector while in a senior management role.



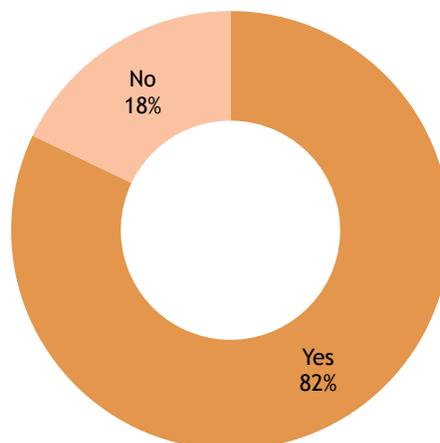
“Mine is not a transition to - it’s been more of a journey between the three/four sectors over a full career - starting in the social sector, moving to academics, then private, then social, private, etc. So this is a blended model - which makes sense for me given I believe that the 21st century challenges will only be addressed with cross-sectoral solutions, and I am by nature a bridge-builder.”

CEO survey commentary

Previous social sector associations

Over 80% of respondents who transitioned to the social sector had some sort of social sector association while working in their previous sector. For people who hope to transition to the social sector in the future, this finding highlights the importance of beginning these sector associations before attempting the move.

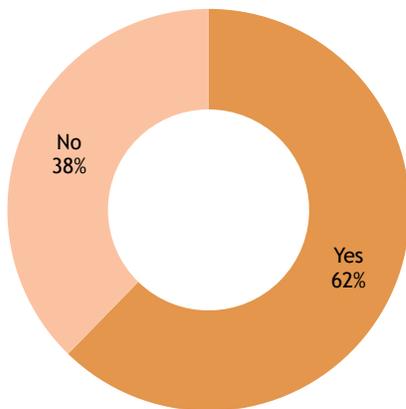
Did you have social sector associations (e.g. volunteer work, member of a board) while working in the private or public sector?



Perceived Competencies

The question of whether different competencies are needed to lead a social sector organization vs. a private or public sector organization received varied and contradicting responses. Many CEOs (62%) felt quite strongly that leading a social sector entity required different competencies; 38% felt leadership competencies did not vary greatly across sector.

Do you believe that different competencies are needed to lead a social sector organization vs. a private or public sector organization?



“I don’t think that there should be a whole lot of lines between the social and the for-profit sectors...They’re complex businesses, some small, some big, some one-dimensional and others not; but they are pretty similar in their leadership needs. Fundamentally I think that development skills, leadership skills, managerial skills, strategic skills are needed in all sectors. I think that it is to our peril that people start differentiating themselves and saying that there are special needs and special cases, I actually think that is hurting the sector.”

Steve Davis
CEO & President
PATH

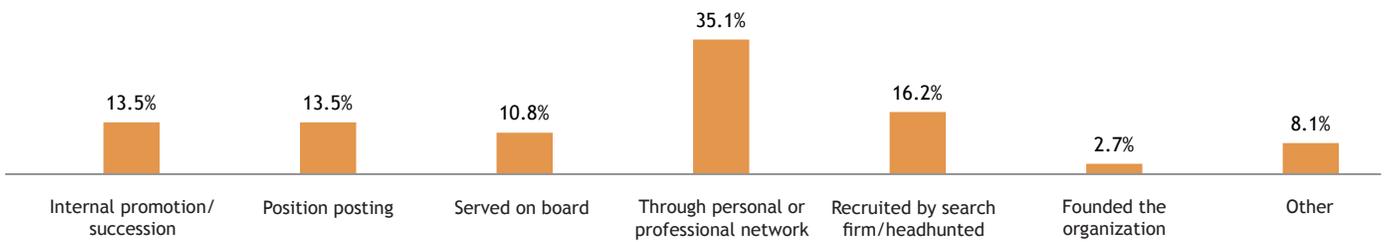
Respondents were able to indicate specific competencies that they believed distinguished social sector leaders in an open-ended question. The most frequently mentioned competencies were orientations to the work such as mission, understanding and collaboration, rather than ‘hard skills.’ The frequency of specific competencies mentioned is represented by the following word cloud, with larger words being mentioned more frequently.



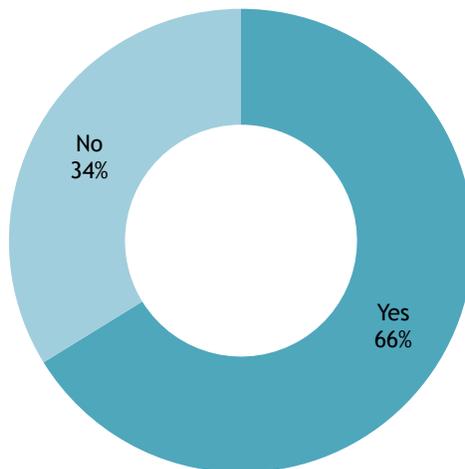
Finding out about the CEO position: Networks are key

When asked how they found out about the position, just over one-third of the CEOs learned of their position through their network.

How did you hear about your current position?



Was a search firm involved in your hiring?



Coming on board: Challenges & coaching support

Responding CEOs were asked whether they experienced challenges during the transition to their current role and if so, the nature of those challenges. Some respondents encountered difficulties that could be experienced in any sector including:

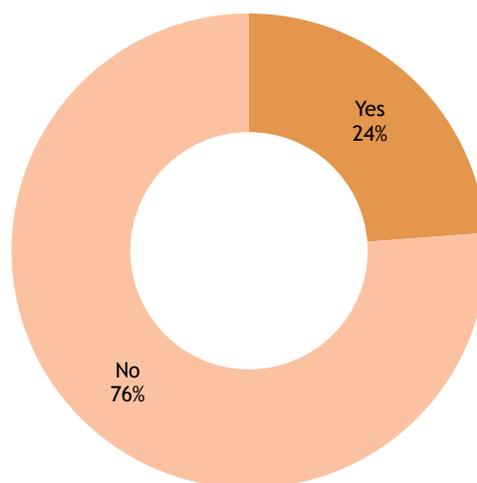
- employee resistance to change
- replacing the founder or a long-term leader
- ineffective or dysfunctional senior management
- operational challenges
- learning a new culture

Other challenges mentioned were specific to the social sector:

- dealing with family dynamics (family foundation)
- learning foundation processes and regulations
- trustees who were not clear about the boundaries between their role and the CEO

The use of professional coaching or support for CEOs in the social sector remains rare. More than 75% of CEOs surveyed did not have access to professional coaching while transitioning to their new role. Transition support in the social sector appears to remain relatively informal and unstructured.

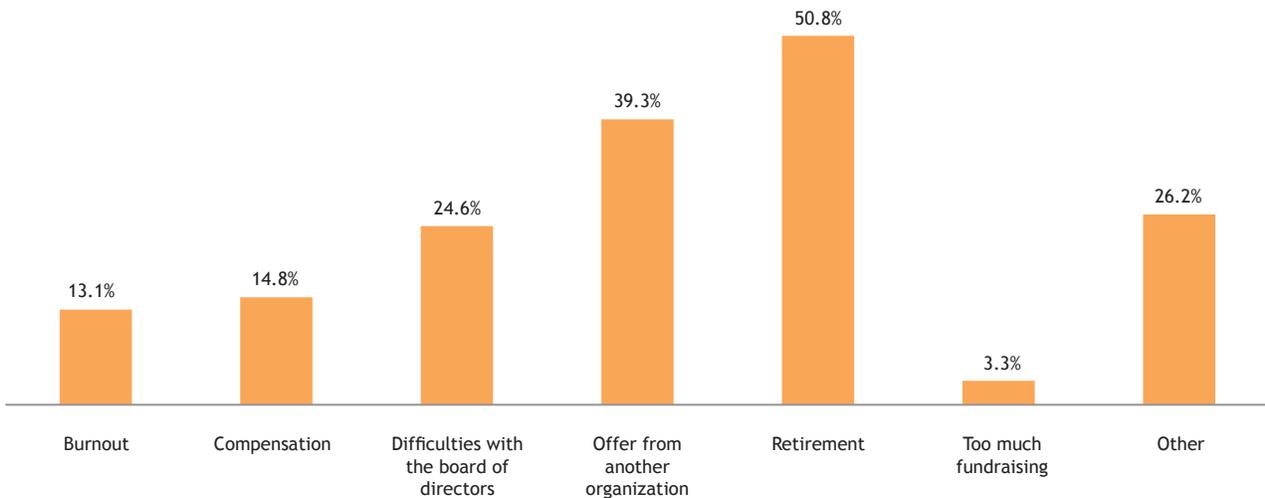
Did you have the support of a professional coach while transitioning into your current role?



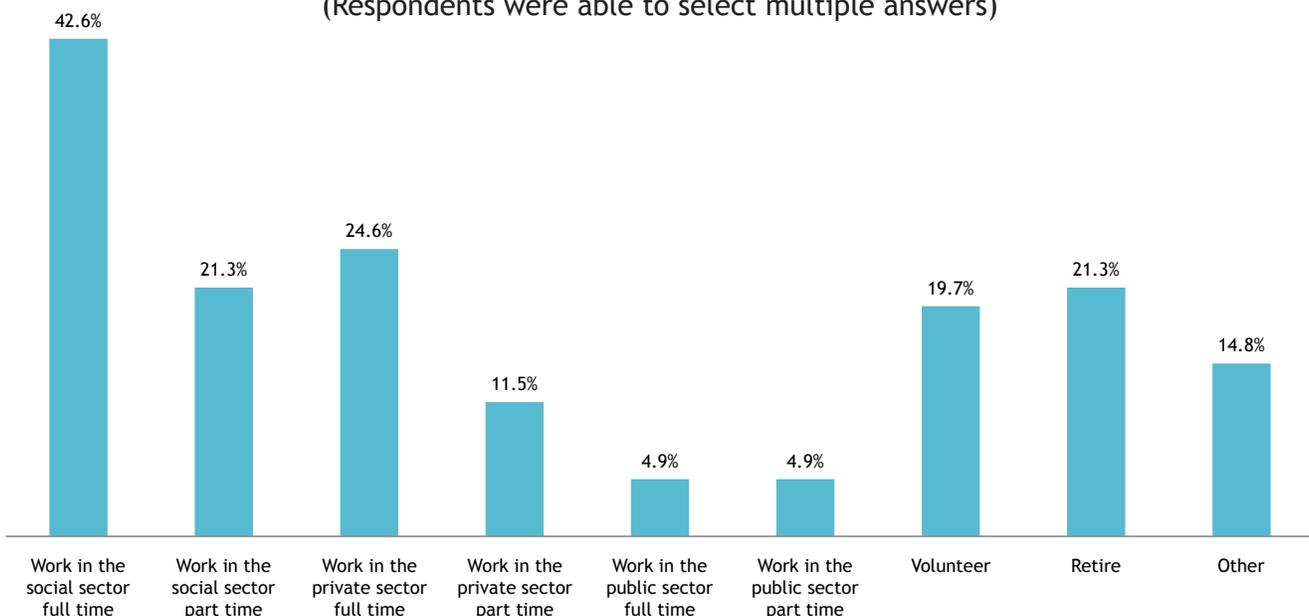
Reasons to leave

Over 50% of CEOs indicated that they would most likely leave their position due to retirement. The second most common reason CEOs reported they would leave their current role would be an offer from another organization. While offers from other organizations involve multiple facets such as compensation, location and work-life balance, respondents indicated that they were highly motivated by the possibility of new challenges and the ability to shape an organization. CEOs also reported that if they did leave their organization, their ideal next role would be to work in the social sector full time. Compensation and burnout were relatively uncommon motivations for potential transitions.

If you were to leave your current role, what drivers would lead you to that decision?
(Respondents were able to select multiple answers)



If you were to leave your current role, what would be your ideal next role?
(Respondents were able to select multiple answers)



Surrounding the CEO: Perceptions of team & talent

Other sectors welcome, but private sector candidates are more so

Top talent challenges

Succession planning

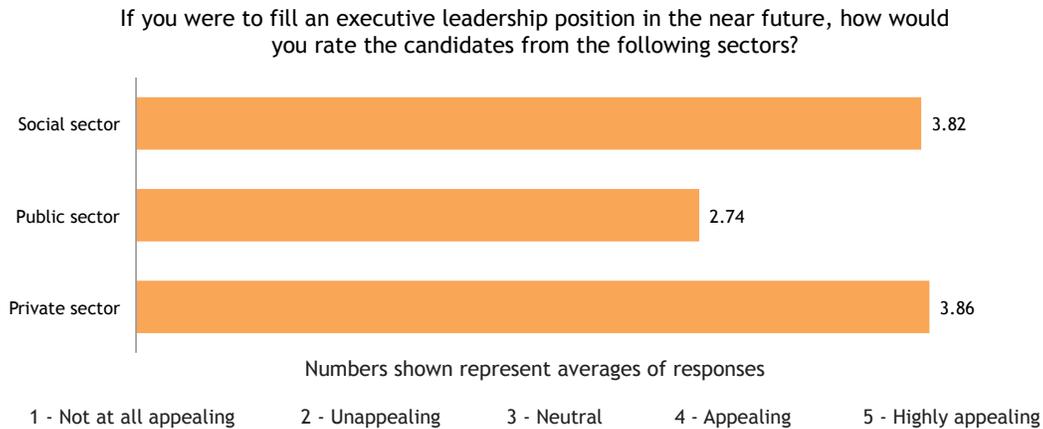
Developing executive leadership from within

Key findings

- Candidate transitions from different sectors elicit different concerns.
- Staff career development and sourcing talent are the top two talent challenges.

Other sectors welcome, but private sector candidates are more so

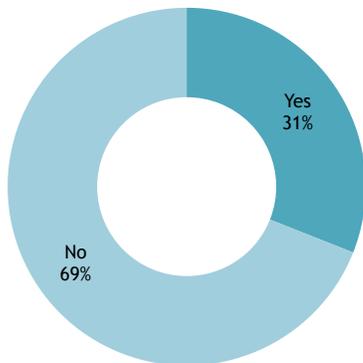
Interview respondents indicated they increasingly look for senior staff with business skills and experience, however there is no significant difference between the average social sector and private sector candidate preference. Slightly lower preference for public sector candidates may reflect beliefs about different orientations or competencies, but may also reflect CEOs' lower levels of experience in recruiting these candidates.



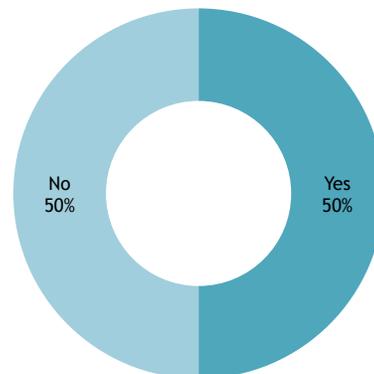
Considerations in hiring across sectors

CEOs expressed potential concerns about hiring candidates from both the public and private sectors. While some CEOs stated that sector experience had no impact when considering candidates, those who had concerns about hiring from outside the social sector listed specific concerns for each sector. Top considerations in hiring leaders from the private sector included lack of commitment to the cause and fit with the social sector culture. Compensation expectations were also a concern. Top considerations in hiring from the public sector were lack of fundraising experience and lack of experience in working with a board, although fit with social sector culture was also a moderate concern.

Would you have concerns about hiring executive leaders directly from the private sector?



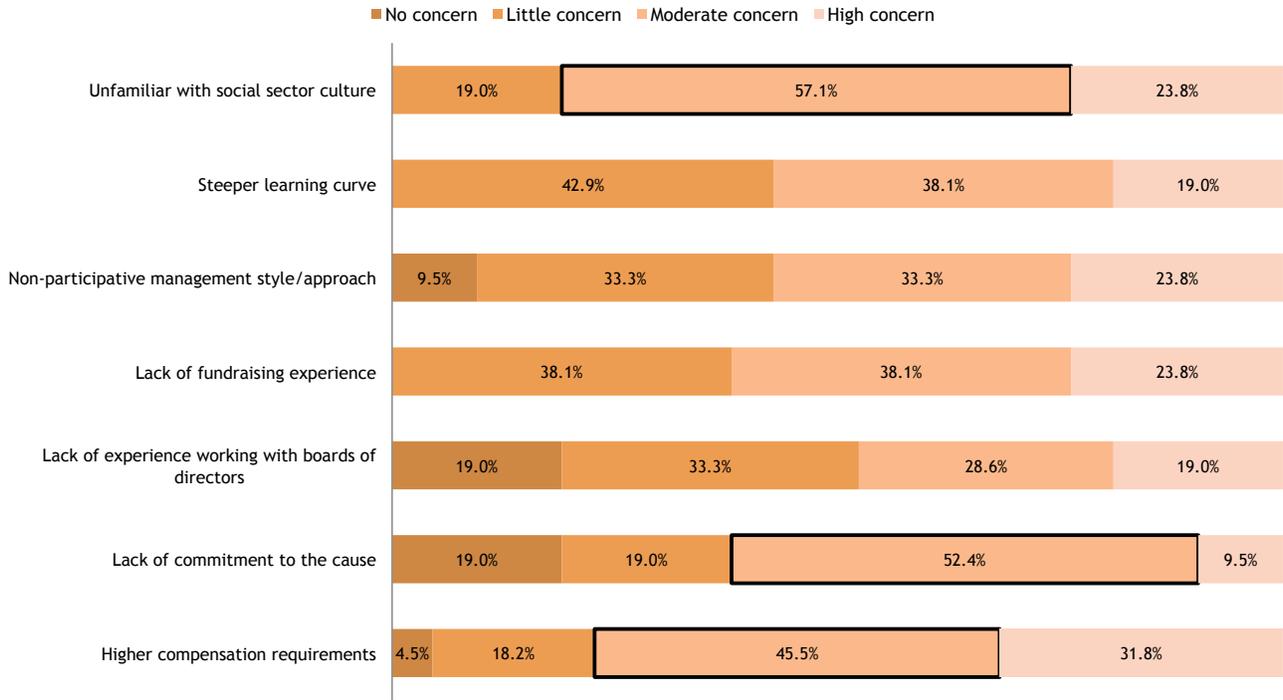
Would you have concerns about hiring executive leaders directly from the public sector?



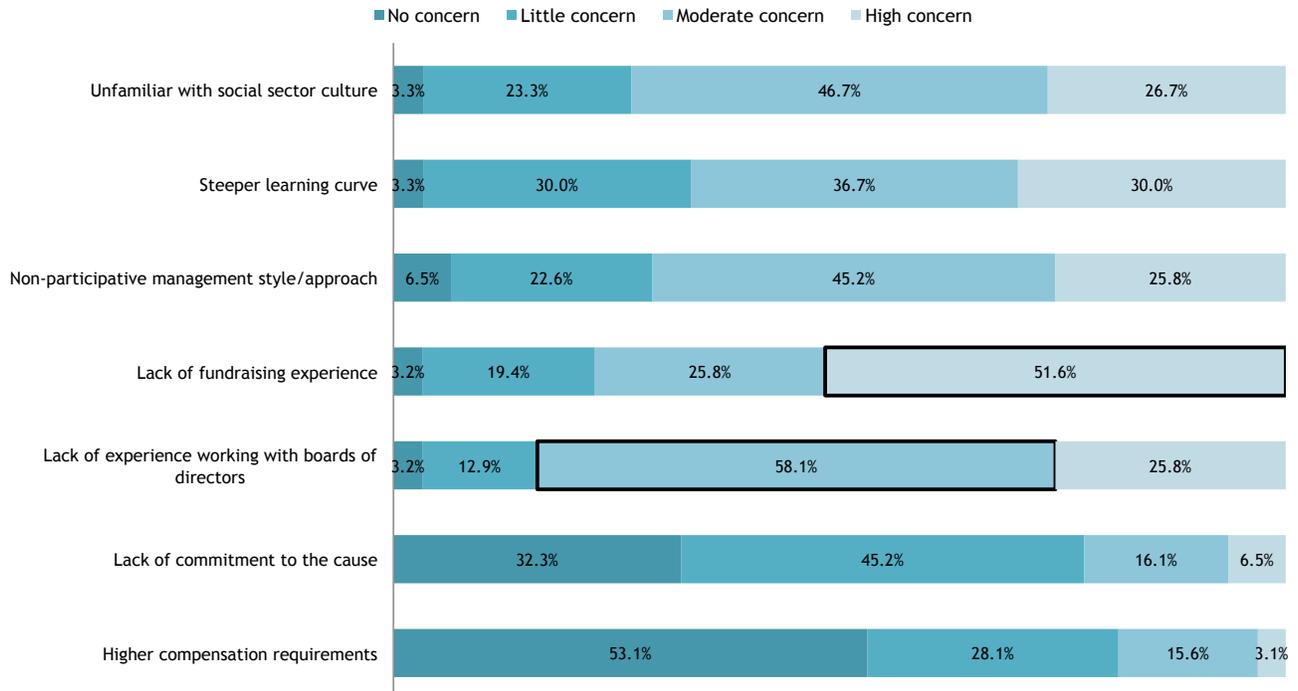
“I receive literally dozens of requests a year for courtesy interviews from people in the private sector looking to make a change into the social sector. Many are earnest but many others approach it like a retirement job or as though they would be a godsend to the poor benighted nonprofit arena. Success in the for-profit arena does not dictate success in the social sector.”

CEO survey commentary

Which of the following concerns might you have about executive leaders that transition to the social sector from the private sector?



Which of the following concerns might you have about executive leaders that transition to the social sector from the public sector?



Survey respondents and interviewees added a number of additional comments on considerations for cross-sector hiring. In addition to the concerns indicated in the preceding charts, the following were mentioned in the survey comments and the individual interviews.

Concerns about private sector candidates

- potential for arrogance
- think it will be easy
- believe they have something to teach the social sector
- view working in the social sector as their final act

Concerns about public sector candidates

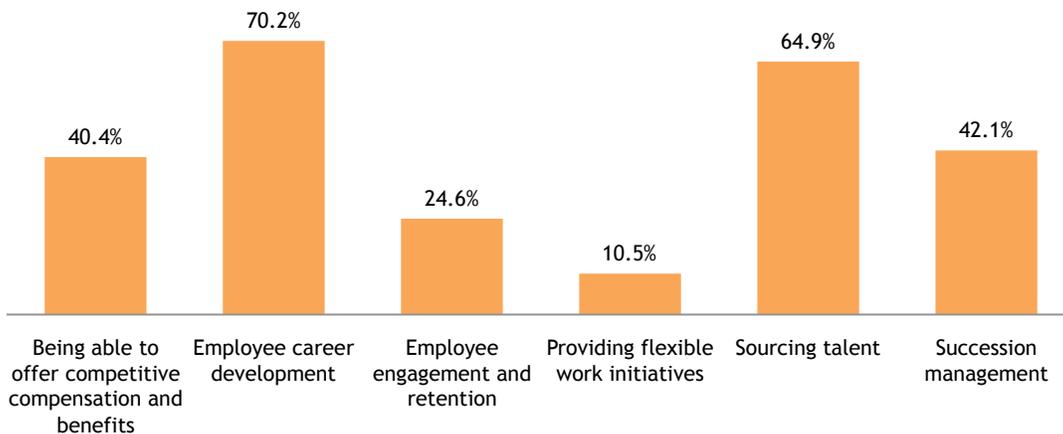
- process mentality
- never had to sell to make money
- pace/lack of urgency

Top talent challenges

Career development for staff and sourcing talent for hires were overwhelmingly listed as the top talent challenges faced by social sector CEOs. Even though employee career development is seen as a top challenge, employee engagement/retention is not. Interviewees explained that organizations with a relatively flat hierarchical structure have to find ways of developing their employees without a traditional promotion route.

Sourcing talent, or finding and hiring the right people, can prove difficult for a number of reasons. Some positions are so specific to the social sector that the candidate pool is quite small, and as several CEOs pointed out, sometimes people who want the position are not a good fit for the organization.

Top 3 talent related challenges that your organization currently faces



“I think once a person becomes involved in the nonprofit sector, particularly at an organization where there’s believability in the mission, if staff are really empowered to take an active role in furthering that mission, then there’s a tendency to stay on board. Once those people are engaged in an organization, they have a tendency to stay.”

Diana Sieger

CEO & President

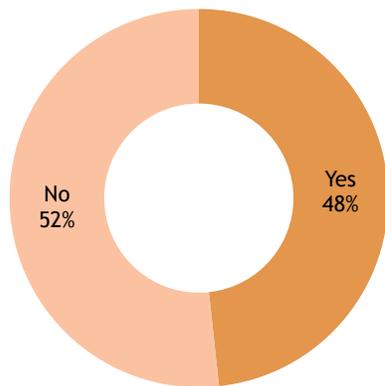
Grand Rapids Community Foundation

Succession planning

While the majority of respondents are over the age of 55, only 48% have a succession plan in place. The aging of baby boomer leaders brings up the issue of organizations’ ability to smoothly transition to new leadership and the future loss of organizational knowledge and experience.

Interviews indicate that both the board and the CEO are viewed as jointly responsible for making succession planning a high priority within the organization. Lack of succession planning combined with the ages of the majority of CEOs highlights a potential leadership gap in the social sector.

Is there a succession plan in place to fill your role once you leave?



“I do think that boards and the CEO should work together to ensure that there is some kind of mechanism in place for succession.”
 CEO survey commentary

Developing executive leadership from within

In developing their teams, CEOs are most likely to spend any discretionary budget for executive leadership development on performance management, followed by investment in executive coaching.

In which areas do you plan to focus your discretionary budget for executive leadership staff during the next 2 years?
 (Respondents were able to select multiple answers)

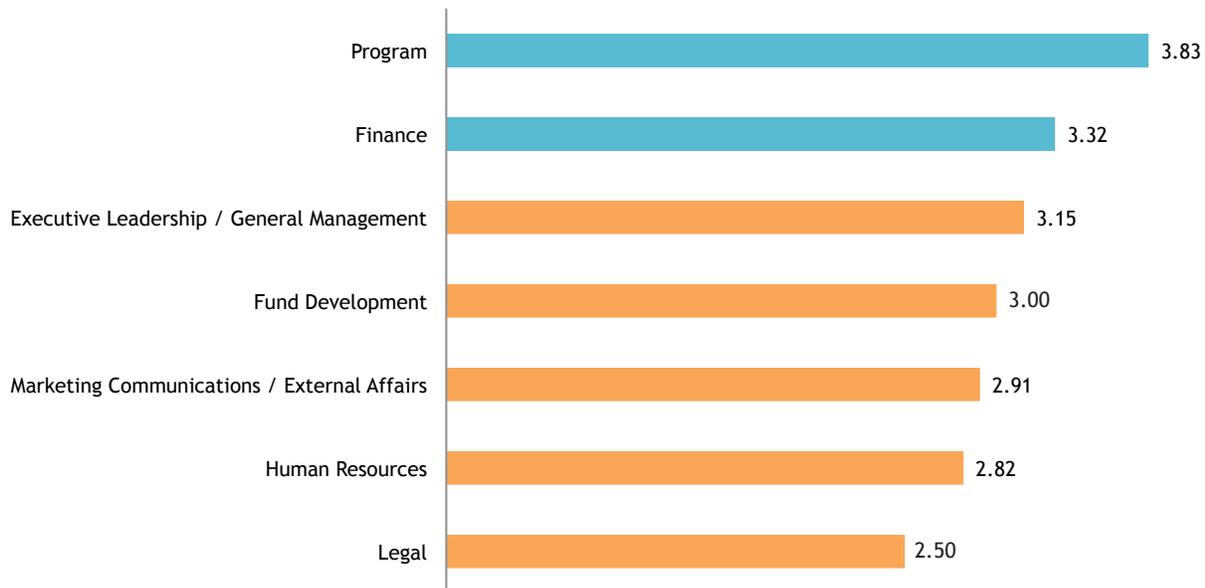
Performance management (balanced scorecard, lean, etc.)	63%
Executive coaching	52%
Retreats	33%
Succession planning	32%
Incentive compensation	26%
Healthcare coverage	15%

CEOs with openings on their executive leadership team appeared more likely to promote from within for certain types of positions:

- employees who came from program or finance positions were considered especially likely to be considered as suitable candidates for promotion
- CEOs who indicated they had legal positions within their organizations were unlikely to promote internally to fill those positions
- CEOs had mixed opinions regarding the internal promotability of employees coming from executive leadership/general management, fund development, marketing communications/ external affairs and human resources

Interviews and additional comments in the survey revealed that promotion of an internal candidate is a complex decision, which is primarily based upon the personal characteristics of the employee and the needs of the leadership team. Respondents indicated that they would not be surprised by the promotion of employees who had a broad base of experience, and were already involved in some type of leadership role.

If you had an opening on your executive leadership team in one of the following areas, how likely would you be to promote from within rather than hire a candidate from outside the organization?



Numbers shown represent averages of responses

1 - Not at all likely 2 - Unlikely 3 - Neutral 4 - Likely 5 - Extremely likely

Boards: Effective partnerships are crucial

Board evaluations of CEO

Voting member of board & governance

Board effectiveness

Service on other boards

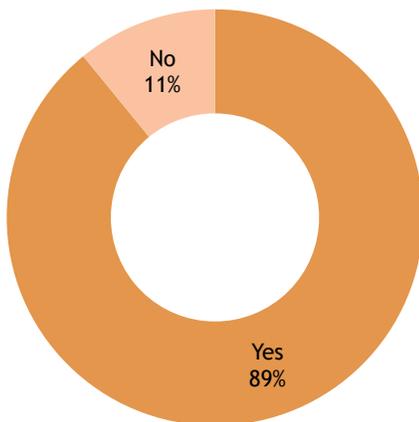
Key findings

- 89% of CEOs receive formal board evaluations.
- 27% of CEOs are a voting member of the board.
- 42% of boards do not evaluate their own performance.

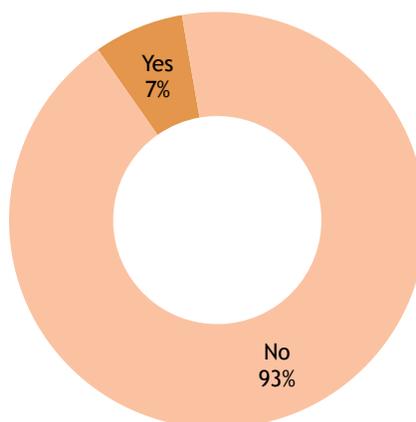
Board evaluations of CEO

Almost 90% of CEOs reported that they are evaluated formally. Annual evaluation is often required by board bylaws and is a key board governance responsibility. Annual board evaluations of the CEO are common, however less than 10% are facilitated by outside, independent parties.

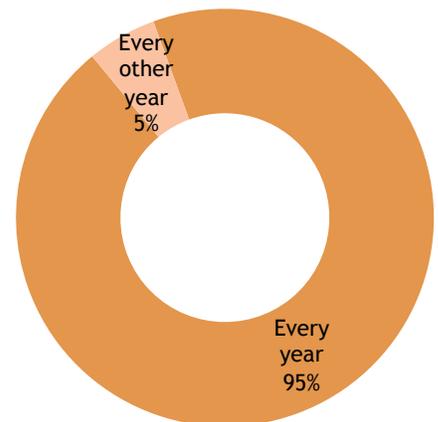
Does your board conduct formal evaluations of your performance?



Are the evaluations facilitated by an outside independent party?



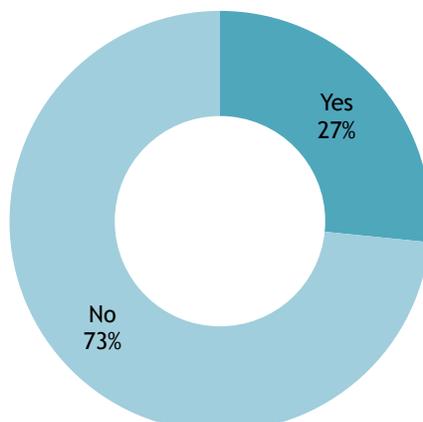
How often are these evaluations?



Voting member of board & governance

Seventy-three percent of CEOs surveyed indicated that they were not a voting member of their board. Best practice recommendations generally suggest that the CEO serves as an ex officio, non-voting board member to avoid conflicts of interest.¹³ Interviews revealed that a working partnership with the board where the CEO has a significant voice is the ultimate goal.

As the top executive, are you a voting member of your organization's board of directors?



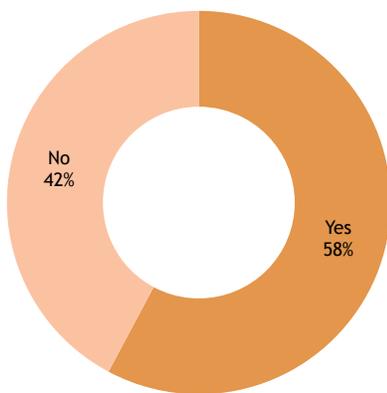
13. BoardSource, Nonprofit Governance Index 2012

Board effectiveness

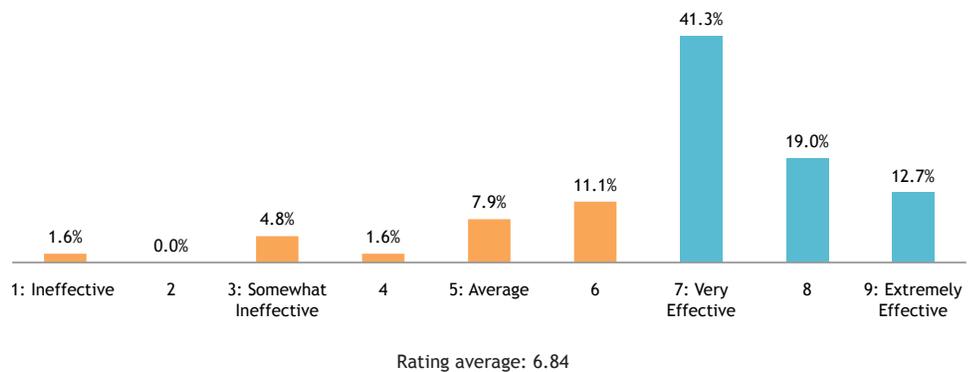
While annual board evaluations of CEOs are common, board self-evaluations are less so, although a majority of boards do have some form of evaluation. Approximately 60% of boards conduct evaluations of their own effectiveness.

When CEOs were asked to rate their board’s performance on a scale of being ineffective to extremely effective, 73% of CEOs rated their boards as very effective or higher.

Does your board perform evaluations of its own effectiveness or performance?



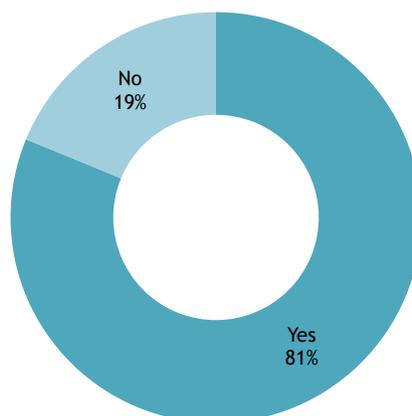
Using a scale of 1 to 9, how would you rate your board's performance?



Service on other boards

Most CEOs are engaged in board service with other social sector organizations. 81% of CEOs serve on a board, with the average number of boards at 2.57 across the sample.

Do you serve on the board of another nonprofit organization?



Indicate the number of nonprofit boards on which you currently serve.
Response average: 2.57

The future CEO: A multi-sector approach

Collaboration across sectors

Shifting sectors: Focus on social impact

Generational and diversity changes

During our individual interviews, we asked CEOs about their vision of social sector CEOs in the next 10 to 20 years. The following section is a synopsis of their views on what changes the sector will experience and what criteria will help make future CEOs successful.

Collaboration across sectors

Multi-sector experts are able to engage and collaborate across all sectors. These leaders are increasingly needed to address complex social problems, especially in light of intensifying constraints such as decreased funding, the need for strong operational efficiency, and increased demand for social services that no sector is adequately prepared to tackle alone. Interviewees indicated that certain sectors may be better at supporting innovation, however collaboration with other sectors will be needed to drive solutions to scale.

For the most part, although there are differences between the sectors, the CEOs surveyed and interviewed stated that certain general management skills and abilities are transferable and necessary in all sectors. These abilities include:

- refined emotional intelligence
- technologically savvy
- financially savvy
- cross-sector collaboration and communication
- comfort with ambiguity

“I think when you step back a little from the level of the day to day if you will, increasingly part of what we’re seeing is a frustration or demand to create more systemic impact. There is frustration that even the wealthiest can only do so much and we’re not moving the needle on homelessness or hunger for example. I think a major part of the CEO role will be to partner with funders to drive, if not solutions, at least impact - change where you see the needle move for lack of a highly technical term. I think it’s that leadership role and being able to collaborate, in particular cross-sector collaboration, which will be crucial.”

Steve Maislin

CEO & President

Greater Houston Community Foundation

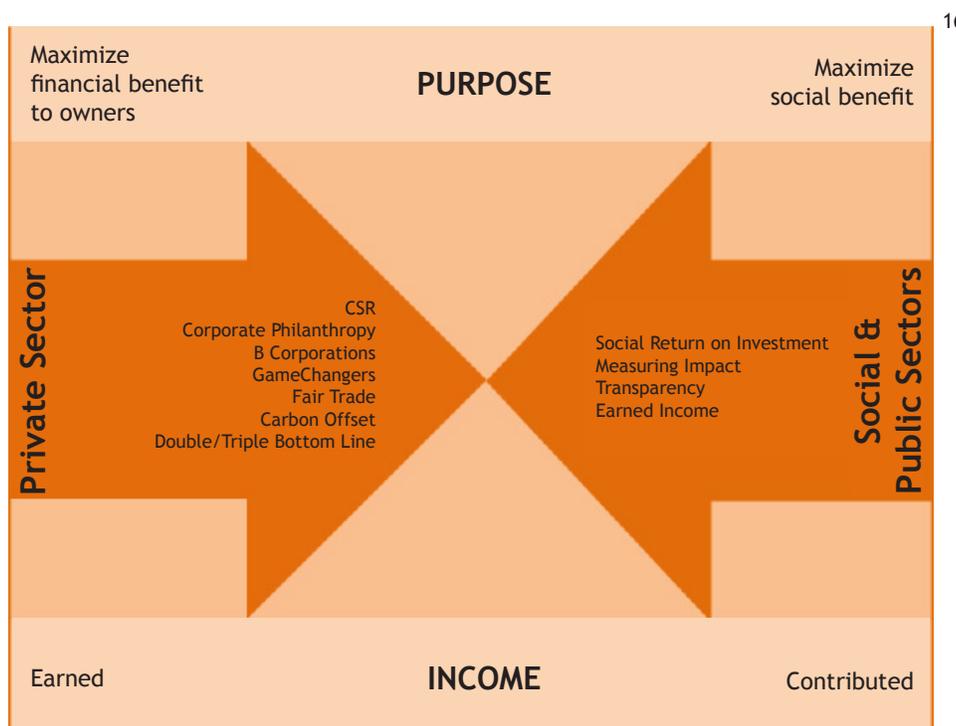
Shifting sectors: Focus on social impact

Many organizations are increasingly focused on the double bottom line and social return on investments (SROI). Evidence of this is seen in the large number of private sector businesses focusing on corporate social responsibility (CSR) initiatives and a growing number choosing to exhibit their social commitment through certifications such as B Corporation¹⁴ and GameChangers.¹⁵

While private sector organizations look to strengthen their focus on social impact in addition to financial performance, social sector organizations are placing more emphasis on accountability and measuring impact. Funders are requiring more information about the impact of their donations, meaning that organizations are having to measure the outcomes of their work, rather than just output. These changes suggest we live in a world where the lines between sectors are becoming less clear.

“You’re going to have more of the social enterprise, business for good kind of thing, that will morph and change and stretch what the definition of a social sector organization is. You have a group of people, especially in their 20s and 30s, who have a very different understanding and belief in what it means to be an ethical business, to be a good business whether that is selling toothpaste or putting shoes on people’s feet like we do at Soles4Souls. That’s going to be a big deal in the social sector as these new types of organizations, like B Corps and others, change what a social enterprise looks like. I don’t think that is a fad. And I think that will be a leadership challenge.”

Buddy Teaster
 CEO
 Soles4Souls



16

14. <http://www.bcorporation.net>

15. <http://gamechangers500.com>

16. Sabeti Heerad & Fourth Sector Network Concept Working Group. (2009). The Emerging Fourth Sector, Executive Summary

Generational and diversity changes

The U.S. labor force has undergone a dramatic change over the last ten years and will continue to do so. In 2020, one in four workers in the United States will be at least 55 years old and a significant portion will continue to work past traditional retirement age.¹⁷ Interview respondents identified adapting to an increasingly multi-generational workplace as a present-day challenge that will intensify in coming years. This may be exacerbated by older people who may not wish to retire and people wanting to continue working longer due to the recent recession.

Interviewees also stated that generational differences will be highlighted by the increasing demand for specific skills, particularly in the realm of technology. They distinguished between CEOs who are ‘digital natives’ - people who have grown up exposed to technology, and those who are ‘digital immigrants’ - those who have had to learn to use technology later in life. At some point, ‘digital immigrants’ may need to spend a disproportionate amount of time keeping up with those who are ‘digital natives,’ as being technologically savvy becomes increasingly important to the social sector CEO.

Interviewees also indicated that it was vital that CEOs address diversity and cultural changes. Many respondents were concerned that their organization had known shortcomings in staff diversity and organizational models that made the organization potentially less relevant to growing minority populations. They suggested that CEOs need to have a high degree of ‘cultural competency’ and that it is important to have a wide variety of view points and ethnicities represented on staff in order to best identify with the organization’s constituencies.

17. <http://agingandwork.bc.edu/blog/transforming-the-challenges-of-an-aging-workforce-into-business-success/>

Appendix

Targeted Organizations

Targeted Organizations

Access Group
 ACCION International
 ACDI/VOCA
 Action Against Hunger-USA (AAH-USA)
 Acumen Fund
 ADRA International
 Aeras
 Africare
 Aga Khan Foundation USA
 Alfred P. Sloan Foundation
 Alliance Defense Fund
 America's Promise Alliance
 America-Mideast Educational & Training Services
 American Cancer Society
 American Civil Liberties Union Foundation (ACLU)
 American Committee for the Weizmann Institute of Science
 American Council on Education (ACE)
 American Councils for International Education
 American Friends of the Israel Museum
 American Geophysical Union
 American Jewish Joint Distribution Committee (JDC)
 American Jewish World Service (AJWS)
 American Near East Refugee Aid (ANERA)
 American-Nicaraguan Foundation, Inc.
 American Red Cross (ARC)
 American Refugee Committee (ARC)
 American Society for the Prevention of Cruelty to Animals
 American Technion Society
 AmeriCares Foundation, Inc. (AmeriCares)
 Amnesty International USA
 Amon Carter Foundation
 Anti-Defamation League (ADL)
 Arizona Community Foundation
 Arnold and Mabel Beckman Foundation
 Ashoka
 Autism Speaks
 Barr Foundation
 Baton Rouge Area Foundation
 Battelle Memorial Institute
 Bellefaire Jewish Children's Bureau (Bellefaire JCB)
 Big Brothers Big Sisters of America
 Bill & Melinda Gates Foundation
 Birthright Israel Foundation
 Blessings International
 Boys & Girls Clubs of America
 Boy Scouts of America
 Boys Town
 BRAC
 Brother's Brother Foundation
 Burroughs Wellcome Fund
 Bush Foundation
 C.I.S. Development Foundation, Inc. (CISDF)
 California Community Foundation
 Carnegie Corporation of New York
 Carnegie Institution for Science
 Casey Family Programs
 Catholic Medical Mission Board, Inc. (CMMB)
 Catholic Relief Services (CRS)
 Center for Strategic and International Studies Inc (CSIS)
 Central Indiana Community Foundation
 Charity: Water
 Charles Stewart Mott Foundation
 CHF International (CHF)
 ChildFund International
 Children Incorporated
 Children's Hunger Fund
 Children's Hunger Relief Fund
 Children International
 Christian Blind Mission International
 Christian Foundation for Children and Aging (CFCA)
 Christian Relief Services
 Church World Service (CWS)
 CIEE
 Circle of Service Foundation
 CitiHope International, Inc.
 Clinton Health Access Initiative, Inc.
 CNFA (formerly The Citizens Network for Foreign Affairs)

Colcom Foundation
 College Access Foundation of California
 Colorado Health Foundation (CHF)
 Common Ground
 Communities Foundation of Texas, Inc.
 Community Coordinated Care for Children Inc.
 Community Foundation for Greater Buffalo
 Community Foundation for Southeast Michigan
 Community Foundation for the Fox Valley Region
 Community Foundation of Chippewa County
 Community Foundation of Greater Birmingham
 Community Foundation of Greater Des Moines
 Community Foundation of Greater Memphis
 Community Options, Inc. (COI)
 Compassion International
 CONCERN Worldwide (U.S.), Inc.
 Conrad N. Hilton Foundation
 Conservation International
 Consortium for Ocean Leadership
 Consuelo Foundation
 Convoy of Hope (COH)
 Cooperative for Assistance and Relief Everywhere, Inc.
 Council on Foreign Relations
 Counterpart International, Inc.
 Covenant House (CH)
 Crankstart Foundation
 Cross International Aid, Inc.
 Cummings Foundation
 CURE International, Inc. (CURE)
 Cure Violence
 Cystic Fibrosis Foundation
 Daniels Fund
 David & Lucile Packard Foundation
 Dayton Foundation
 Delaware Community Foundation
 Dennis and Phyllis Washington Foundation
 Devereux Foundation
 Diana Davis Spencer Foundation
 Direct Relief International
 DKT International, Inc. (DKT)
 Doctors Without Borders
 Donald W. Reynolds Foundation
 Doris Duke Charitable Foundation
 East Bay Community Foundation
 East Meets West Foundation
 East Wildlife Foundation
 Educational Services of America
 Education Development Center, Inc. (EDC)
 Elizabeth Glaser Pediatric AIDS Foundation (EGPAF)
 EngenderHealth, Inc.
 Environmental Defense Fund, Incorporated
 Episcopal Relief and Development (ERD)
 Ewing Marion Kauffman Foundation
 Feeding America
 Feed the Children, Inc.
 FHI 360
 Fidelity Foundation
 Fidelity Investments Charitable Gift Fund
 FINCA International, Inc.
 Food for the Hungry, Inc.
 Food For The Poor, Inc.
 Ford Foundation
 Foundation for the Carolinas
 Freedom House, Inc.
 Free the Children
 Fremont Area Community Foundation
 Friends of the Orphans
 FrontlineSMS
 GAI International, Inc. (Global Aid Network)
 George I. Alden Trust
 George Kaiser Family Foundation
 George W. Bush Foundation
 Girl Scouts of the USA
 Give2Asia (G2A)
 Gleaning For The World (GFTW)
 Global Impact
 Global Links (GL)
 Global Operations & Development/Giving Children Hope
 Globus Relief
 Goldman Sachs Foundation

Gordon and Betty Moore Foundation
 Grand Rapids Community Foundation
 Grantham Foundation
 Greater Cincinnati Foundation
 Greater Houston Community Foundation
 Greater Kansas City Community Foundation
 Greater Milwaukee Foundation
 Greater New Orleans Foundation
 Green Mountain Institute for Environmental Democracy
 Greenpeace
 Gulf Coast Community Foundation
 Gulf Coast Regional Blood Center
 Habitat for Humanity International
 Hadassah, The Women's Zionist Organization of America
 Hadassah Medical Relief Association
 Hampton Roads Community Foundation
 Harlem Children's Zone
 Harold Alfond Foundation
 Hartford Foundation for Public Giving
 Hearst Foundations
 Heartland Alliance for Human Needs & Human Rights
 Heart to Heart International
 Heifer Project International
 Helen Keller International (HKI)
 Help the Children
 Hope Haven, Inc.
 HOPE Worldwide, Ltd.
 Houston Endowment
 Humanity United
 Human Rights Watch
 IFES
 IMA World Health
 Innovations for Poverty Action (IPA)
 Institute of International Education (IIE)
 International Aid, Inc. (IA)
 International AIDS Vaccine Initiative (IAVI)
 International Children's Fund
 International City/County Management Association (ICMA)
 International Crisis Group
 International Fertilizer Development Center (IFDC)
 International Food Policy Research Institute (IFPRI)
 International Medical Corps
 International Medical Outreach (IMO)
 International Orthodox Christian Charities (IOCC)
 International Relief and Development (IRD)
 International Relief Teams (IRT)
 International Rescue Committee
 International Research and Exchanges Board (IREX)
 International Youth Foundation (IYF)
 Internet Society (ISOC)
 Interpeace
 Iowa West Foundation
 Ipas
 Islamic Relief USA
 J. Bulow Campbell Foundation
 J. Craig Venter Institute
 J. David Gladstone Institutes
 Jack Kent Cooke Foundation
 Jewish Communal Fund
 Jewish National Fund (JNF)
 John S. and James L. Knight Foundation
 John Templeton Foundation
 Joyce Foundation
 Juvenile Diabetes Research Foundation
 Kalamazoo Community Foundation
 Kids In Distressed Situations (KIDS)
 Kimbell Art Foundation
 Kingsway Charities
 Kirkpatrick Family Fund
 Kresge Foundation
 Laura and John Arnold Foundation
 Leon Levy Foundation
 Life for Relief and Development
 Lighthouse International
 Lilly Endowment Inc.
 Lions Club International
 Love A Child
 Lumina Foundation for Education
 Lutheran Community Foundation
 Lutheran Immigration and Refugee Service (LIRS)
 Lutheran World Relief
 M.J. Murdock Charitable Trust
 Maddie's Fund
 Maine Community Foundation
 Management Sciences for Health
 MAP International
 March of Dimes
 Margaret A. Cargill Foundation
 Marguerite Casey Foundation
 Marin Community Foundation
 Marine Toys for Tots Foundation
 Masonic Homes at Elizabethtown
 Matthew 25: Ministries
 McKnight Foundation
 Meadows Foundation
 Measured Progress
 Medical Teams International
 Medic Mobile
 Menil Foundation Inc
 Mercy Corps
 Mercy Ships
 Meyer Memorial Trust
 Michael and Susan Dell Foundation
 Mission Without Borders (MWB)
 Monterey Bay Aquarium Foundation
 Moody Foundation
 Mothers Against Drunk Driving
 Musculoskeletal Transplant Foundation
 National Association for the Advancement of Colored People
 National Center for Missing & Exploited Children (NCMEC)
 National Christian Foundation
 National Council of La Raza
 National Democratic Institute for International Affairs
 National Philanthropic Trust (NPT)
 National Urban League
 Nelda C. and H.J. Lutcher Stark Foundation
 New Hampshire Charitable Foundation
 New Israel Fund (NIF)
 Northwest Area Foundation
 NoVo Foundation
 Nuclear Threat Initiative (NTI)
 Oklahoma City Community Foundation
 Open Society Foundations (OSF)
 Operation Blessing International
 Operation Smile
 Opportunity International
 Oregon Community Foundation
 Otto Bremer Foundation
 Oxfam America
 Pan American Development Foundation (PADF)
 Panzi Hospital/Foundation
 Paralyzed Veterans of America
 Partners in Health
 PATH
 Pathfinder International
 Pew Charitable Trusts
 Pittsburgh Foundation
 Planet Aid
 Plan International USA
 Planned Parenthood Federation of America, Inc.
 Population Council
 Population Services International (PSI)
 Private Agencies Collaborating Together (PACT)
 Project C.U.R.E.
 Project Concern International (PCI)
 Project HOPE
 Project ORBIS International, Inc. (ORBIS)
 Pro Mujer (Pro Women)
 Public Welfare Foundation
 Rainforest Alliance, Inc.
 Relief International
 Richard and Susan Smith Family Foundation
 Richard King Mellon Foundation
 Robert R. McCormick Foundation
 Robertson Foundation
 Robert W. Woodruff Foundation
 Robert Wood Johnson Foundation
 Rochester Area Community Foundation
 Rockefeller Brothers Fund
 Rockefeller Foundation

Romanian-American Foundation
 Ronald Reagan Presidential Foundation and Library
 Room to Read
 Root Capital
 Rotary International
 Saint Paul Foundation
 Salvadoran American Humanitarian Foundation (SAHF)
 Samaritan's Purse
 Samuel Roberts Noble Foundation, Inc.
 San Antonio Area Foundation
 Sanford-Burnham Institute for Medical Research
 San Francisco Foundation
 Save the Children U.S.
 Schwab Charitable Fund
 Share Our Strength
 Shimon Ben Joseph Foundation (Jim Joseph Foundation)
 Sid W. Richardson Foundation
 Silicon Valley Community Foundation
 SIL International
 Simons Foundation
 Skillman Foundation
 Skoll Foundation
 Smile Train
 Soles4Souls
 Southern Poverty Law Center
 Special Olympics (SOI)
 Stark Community Foundation
 Starr Foundation
 Stowers Institute for Medical Research
 Surdna Foundation
 Surgical Eye Expedition (SEE)
 Susan G. Komen Breast Cancer Foundation
 Susan Thompson Buffett Foundation
 TB Alliance
 Teach for America
 Technoserve (TNS)
 TED
 The Ahmanson Foundation
 The Andrew W. Mellon Foundation
 The Annenberg Foundation
 The Annie E. Casey Foundation
 The Anschutz Foundation
 The Asia Foundation
 The Bloomberg Family Foundation, Inc.
 The Boston Foundation
 The Broad Foundations
 The Brown Foundation, Inc.
 The California Endowment
 The California Wellness Foundation
 The Carter Center
 The Chicago Community Trust
 The Children's Aid Society
 The Cleveland Foundation
 The Collins Foundation
 The Columbus Foundation
 The Commonwealth Fund
 The Community Foundation for Greater Atlanta, Inc.
 The Community Foundation for Greater New Haven
 The Community Foundation for the National Capital Region
 The Community Foundation of Louisville
 The Dallas Foundation
 The Duke Endowment
 The Edna McConnell Clark Foundation
 The Freedom Forum
 The Gaia Amazon Fund
 The GAVI Alliance
 The German Marshall Fund of the United States (GMF)
 The Goizueta Foundation
 The H.N. and Frances C. Berger Foundation
 The Harry and Jeanette Weinberg Foundation, Inc.
 The Heinz Endowments
 The Henry Luce Foundation
 The Henry M. Jackson Foundation (HJF)
 The Ireland Funds
 The J.A. and Kathryn Albertson Foundation
 The J. E. and L. E. Mabee Foundation
 The James Irvine Foundation
 The James S. McDonnell Foundation
 The John D. and Catherine T. MacArthur Foundation
 The Kern Family Foundation
 The Kronkosky Charitable Foundation
 The Leona M. & Harry B. Helmsley Charitable Trust
 The Longwood Foundation
 The Lynde and Harry Bradley Foundation
 The Minneapolis Foundation
 The Morris & Gwendolyn Cafritz Foundation
 The National Fish and Wildlife Foundation
 The Natural Resources Defense Council (NRDC)
 The Nature Conservancy
 The New York Community Trust
 The Pinkerton Foundation
 The Rees-Jones Foundation
 The San Diego Foundation
 The Seattle Audubon Society
 The Seattle Foundation
 The Stabler Foundation
 The Wallace Foundation
 The Wildlife Conservation Society
 The World Resources Institute
 Tosa Foundation
 Tulsa Community Foundation
 U.S. Committee for Refugees and Immigrants (USCRI)
 UJA-Federation of New York
 Union Rescue Mission (URM)
 United Methodist Committee on Relief
 United Nations Foundation
 United Nations Population Fund (UNFPA)
 United Way Worldwide
 US Fund for UNICEF
 Van Andel Institute
 Vanguard Charitable Endowment Program
 Virginia G. Piper Charitable Trust
 Vitamin Angels
 Volunteers of America
 W. K. Kellogg Foundation
 W. M. Keck Foundation
 Wallace H. Coulter Foundation
 Walter & Elise Haas Fund
 Walton Family Foundation
 Wasserman Foundation
 Wayne & Gladys Valley Foundation
 Weingart Foundation
 Welch Foundation
 William and Flora Hewlett Foundation
 William J. Clinton Foundation
 William Penn Foundation
 Winrock International Institute for Agricultural Development
 Women for Women International
 World Council of Credit Unions (WOCCU)
 World Economic Forum USA
 World Education
 World Emergency Relief (WER)
 World Food Program USA
 World Help
 World Learning
 World Lung Foundation
 World Relief
 World Vision
 World Wildlife Fund (WWF)
 YouthBuild
 Youth Villages
 Zero to Three

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