PERSPECTIVES ON PHILANTHROPY
Denis J. Prager, Ph.D.

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EXECUTIVE MANAGEMENT: LINKING POLICY AND ACTION

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I. KEY LINK AND INTEGRATIVE FORCE

The chief staff officer (CSO)[*] of a foundation is the essential link between the governance functions exercised by the board and the implementation functions carried out by its staff. The CSO stands at the cross-roads of communications traffic among board members, between the board and the staff, and between the foundation and various external constituencies and sources: (i) translating board decisions into directions for staff action; and (ii) filtering, digesting, and summarizing for the board, information from the staff, and from others, on progress, outcomes, challenges, and opportunities.

Effective organized philanthropy depends on integration of a spectrum of key elements, ranging from the lofty – philanthropic philosophy, societal needs, and foundation mission – to the prosaic – grantmaking processes, budgets, operations, and staff performance reviews. In reality, only the CSO of a foundation is in a position to serve this integrative function. The board is part time, comprised of individuals with a limited amount of time to devote to the foundation's business. The staff, while full time, is focused on assuring the effective day-to-day implementation of those particular programs or operations for which they are responsible. Only the CSO has the perspective, the information, the resources, and the leverage it takes to see the whole picture and understand how the foundation fits within it, to visualize the many aspects of philanthropy and understand how they all fit together, and to mobilize all of the foundation's assets in an integrated and coherent way to achieve maximum impact.

II. ROLES AND RESPONSIBILITIES

A foundation's chief staff officer, like that of any other organization, is accountable to the governing board for executive management of the organization. This means:

- Leading and managing the foundation's programmatic, administrative, and financial units in such a way that each operates at full capacity, and that, collectively, they constitute an organization capable of achieving its ambitious mission and goals;

- Leading and managing the foundation's staff and overseeing its implementation of board decisions, and its adherence to policies, plans, and budgets approved by the board; and

- Promoting, facilitating, and sustaining the kinds of open, relevant, and informative communications a philanthropy depends on for its ultimate success – among board members, between the board and staff, among the staff, and between the foundation and the environment in which it operates.

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[*] President, Executive Vice President, Executive Director, Managing Director, or other title

Leading and Managing. Within this general organizational context, the CSO is responsible, specifically, for leading the foundation in the direction it needs to go in order to attain its ambitious philanthropic goals, and for managing the programs and operations it has established to get there. This means:

Maximizing Board Effectiveness – Facilitating efforts by the foundation's board to carry out its governance roles effectively and responsibly manner.   An effective CSO is one who, while respecting board prerogatives and authority, sees members of the board as partners and allies in the foundation's efforts to maximize its assets and deploy them in such a way as to have the greatest impact. Accordingly, the CSO: (i) meets with *each member* of the board on a regular basis to establish and maintain a good working relationship, and to obtain his or her views on opportunities, challenges, and problems; (ii) provides the board with the information it needs – *no more, no less* – to understand the principal issues it faces, to make informed decisions, to measure progress toward achievement of specific goals, and to assess the foundation's overall performance; (iii) strives to make meetings of the board and its committees as efficient, productive, and educational as possible, highlighting key issues and including a variety of learning opportunities; and (iv) responds to board questions and requests in a timely fashion.

Maximizing Staff Effectiveness – Developing and fully utilizing the asset represented by the foundation's staff. An effective foundation CSO gets the most out of a foundation's staff, by:

- Establishing recruitment, orientation, development, review, and reward systems that build and sustain a staff with high levels of commitment, passion, expertise, and productivity;

- Building a diverse staff who, collectively, reflect the full range of perspectives the foundation needs to understand and address the social issues it exists to address, and who work together in such a way that multi-culturalism is one of the foundation's core strengths;

- Providing the staff with the information it needs to understand board decisions and actions, what is expected of them, and how their performance will be measured;

- Recognizing and acknowledging staff contributions and accomplishments, and providing opportunities for staff to present directly to the board, when feasible and appropriate;

- Maximizing the amount of time staff spend in the field gaining first-hand knowledge of community problems and resources, and minimizing the time they spend in the office pushing paper and writing reports;

- Promoting staff professional development, creating the time and space staff need to stay current in their areas of expertise and foundation work, to learn new areas and skills, to reflect on the work they are doing and on how it can be done better, and, even, to prepare for their next career challenge, either within or outside the foundation;

- Building and constantly strengthening the management team with whom the CSO works in running the foundation, and on whom the foundation would have to depend were something to happen to the CSO; and

- Encouraging and facilitating opportunities for staff to interact socially among themselves, with management, and with the board.

Maximizing Organizational Effectiveness – Organizing and managing the foundation in such a way that its programs and operations fully serve, support, and advance its philanthropic mission and goals. An effective foundation CSO:

- Keeps the organization's collective eye on *The Prize*, focusing its resources, energies, and talents on achieving the goals it has established, on solving the problems it has chosen to address, and on helping the people it has selected for special attention;

- Works with each organizational unit to assure that it understands its role in the organization and fulfills that role as effectively as possible;

- Aligns and orchestrates the operations of all organizational units so that, collectively, they constitute an integrated institutional entity pursuing its goals in a coherent manner;

- Creates an environment that is conducive to the pursuit of philanthropic ends, valuing thinking, creativity, and collaboration, and a range of perspectives, opinions, and ideas; and

- Creates the time, space, and systems the foundation needs to assess the contributions of grants and programs, and the organization's overall performance, to extract the lessons learned, and to apply those lessons to improving what the foundation does and how it does it.

Maximizing Relationships With External Constituents – Stressing the degree to which the foundation's effectiveness and ultimate impact depends on the quality and productivity of its relationships with a broad range of outside constituents, including potential grantees, actual grantees, community leaders, policy makers, government agencies, other foundations, and the media. An effective CSO creates an organizational culture that:

- Recognizes and values the potential contributions of all these external stakeholders to achieving the foundation's mission and goals;

- Perceives non-profit organizations as partners whose work is vital to the foundation's mission, and whose survival, integrity, and well-being are of utmost concern;

- Minimizes the bureaucratic hoops through which applicants must jump to obtain funding, and the hurdles over which grantees must jump to keep it, stressing substance over form, quality over quantity, performance over promise, and dialogue over paper;

- Establishes and enforces a code of conduct based on the golden rule, not the rule of gold; and

- Insists that all organizations be treated with respect, fairness, and equity, eschewing favoritism and minimizing conflicts of interest.

Nothing about the roles and responsibilities outlined above should be a surprise; they are consistent with the general principles applied by a wide range of organizations in both the public and private sectors, especially those highly dependent upon external partners for their success. Yet, when it comes to hiring chief staff officers, foundations often pay only lip-service to these principles, choosing high visibility, high name recognition, and sterling credentials over proven leadership and management capabilities. It's as though the board has come to believe that the foundation can best achieve its goals through rhetoric, fame, and PR, rather than through the hard work that characterizes effective philanthropy. The following represent some of the attributes associated with effective executive management of foundations.

Clarity of Purpose. Some individuals are attracted to running a foundation because of their personal commitment to solving particular social issues or helping particular populations groups. Others see foundation work as highly prestigious, socially valued, secure, and rewarding (and, perhaps, easy!). While these rationales are understandable, they are not necessarily consistent with effective foundation executive management. It is imperative that a foundation CSO be committed to philanthropy as a means of improving the human condition, and it is likely that he or she will be more attuned to certain social issues and/or population groups than to others. However, it is essential that a foundation CSO be able to distinguish between his or her private agenda and that of the foundation's, and to suppress the former in favor of the latter. Given the roles and responsibilities outlined above, it must be clear that the CSO is not a free agent for whom the foundation is a vehicle for pursuing personal agendas, but the agent of the board to whom he or she reports, the leader of the staff who report to him or her, and an advocate for the issues and communities the foundation exists to address. An effective foundation CSO is one who has the maturity and security it takes to devote full attention to advancing the work of the foundation, rather than using the foundation as a platform for personal advancement or aggrandizement.

Relevant Substantive Expertise. There are advantages to foundations being led by individuals who are generalists in terms of their substantive expertise. This is especially true for some of the larger foundation which have broad interests and multiple programs. That said, among the qualifications a CSO brings to the job should be interests, knowledge, and expertise that relate directly to one or more of the foundation's areas of interest, programmatic strategy, and operating style. There are several reasons for this preference. First, the CSO should either arrive with, or readily acquire, an understanding of the foundation's areas of focus, the special challenges posed by those areas, and the rationale underlying the foundation's approach to addressing them. Second, the CSO should be able to speak knowledgeably and articulately to a variety of audiences – both internal and external – about the foundation and its programs, and to be able to respond to questions, criticisms, and challenges in a thoughtful way. Third, the CSO should know enough to be able to discuss programmatic issues with the staff, understand their triumphs, challenges, and frustrations, and provide helpful advice and guidance.

Leadership and Management Skills. Running a foundation of any size is first and foremost a job of leadership and management. Yes, philanthropy is about altruism, charity, and giving money to worthy organizations for important charitable work. But, doing so in a way that maximizes the impact of the resources expended, the capacities and productivity of the organizations supported, the talent and abilities of the board and staff, the effectiveness and efficiency of the organization, and the fairness and integrity of grantmaking processes requires skillful leadership and firm management.

Financial Acumen. Philanthropy is about money – managing it, accounting for it, and spending it for charitable purposes. While ultimate fiduciary responsibility rests with the board, it is the CSO who is responsible for assuring that those policies are adhered to by the staff and its external advisors and managers. Accordingly, a foundation's CSO must possess at least a fundamental interest in, and understanding of, investment and financial principles, know enough to be able to manage staff who are experts in these disciplines, and be sufficiently comfortable with that knowledge to be able to convince the board that the foundation's financial house is in good hands.

Communications Skills. Competent leadership and management involve excellent communications skills. Consistent with the linkage role described above, a foundation's CSO must be able to: (i) communicate with the board, providing board members with the information they need to carry out their governance responsibilities, and extracting from their discussions the critical essence of intended policies, decisions, and actions; (ii) communicate with the staff, giving them the essential information they need to translate board policies, decisions, and actions into reality, and extracting from their reports and observations critical information about successes, opportunities, problems, and challenges; and (iii) represent the foundation to a range of external constituencies and audiences, and to convey back to the board and staff their views on the state of their worlds and how the foundation can make it better. Part of this skill involves a willingness to tell it as it is, to support unpopular or even controversial actions, and take responsibility for decisions that inevitably disappoint or anger some constituents. For, no foundation, no matter how rich, can avoid the necessity of saying *"no"* more often than it says *"yes."*