# BUILDING HEALTHY AND EFFECTIVE NONPROFIT LEADERSHIP TEAMS

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**?** In an era of exponential change, does your management team have the skills and competencies to thrive? How can they make better strategic and operational decisions?

● Is your leadership team all that it could be? What core adjustments would get them to full potential?

● Look at other nonprofits: Does your team rank with the best?

One leader in isolation does not lead an organization to success. The senior management team working together is essential to navigating in these increasingly complex and challenging times and can positively affect the bottom line. Conversely, an ineffective team can impact morale, staff confidence, and consume precious organizational resources.

Dewey & Kaye set out to examine how senior teams in nonprofit organizations were faring. This report is the result of our surveying and interviewing 104 nonprofit executives and senior leaders who lead or are part of their leadership team.

Eight-eight percent of the survey participants agreed or strongly agreed with this statement: "Successful organizations are led not just by an Executive Director or CEO but include a high performing and cohesive team of senior leaders."

In this report, we are defining "Healthy and Effective Leadership Teams" as having all of the following characteristics:

- Share purpose, goals, and values with agreed upon measures of success and a shared plan of action.
- Understand the big picture, the specific roles and decision-making authority of each member, and how one member's work affects other members and the organization as a whole.
- Work collaboratively as a unit with a high degree of trust and respect.
- Create effective communication processes that facilitate problem-solving, decision-making and conflict resolution.
- All team members have high levels of technical, functional, and interpersonal skills.

This report builds upon previous work that Dewey & Kaye has done on nonprofit leadership competencies and development, as well as our continuing work with assessing organizational capacity and financial health, assisting nonprofits in succession planning and team development, and our work in Executive Search and transition management. This report incorporates the lessons learned in working with hundreds of nonprofit clients as well as data and comments from surveys and interviews conducted as part of this research. Along with key findings and recommended "remedies," we provide a self-diagnostic tool that nonprofit organizations can use as a first step in building healthier and more effective leadership teams.

The findings do represent the challenges faced by many of the teams who participated in our research but are not all inclusive of what it takes to make a team successful.

## The most common challenges faced by nonprofit leadership teams:

1. **Lack of a Big Picture Perspective.** CEOs defined their greatest challenges with senior leadership teams as finding or growing team members with a holistic organizational perspective rather than a narrower program or functional perspective. Specifically they describe the need for all team members to move easily from advocating for the needs of their program or functional area to finding solutions or creating strategies that best serve the whole organization.

2. **Lack of a Shared Direction, Priorities, Goals, and/or Values.** A direct correlation existed between organizations that rated their team's overall effectiveness as low and those that rated "common focus, direction, and values" as low. This leads us to conclude that clear and shared strategic direction, priorities, goals, and values are the foundation for building an effective and high functioning leadership team.

3. **Individuals are not held accountable and poor performance is tolerated.** Research participants described individuals who lack appropriate capabilities and skills, or have negative attitudes, that adversely impact the whole team in areas such as morale, trust, conflict and, most obviously, effectiveness. Leaders and teams who tolerate a poor performer or do not hold all team members to a consistently high standard were rated as less effective overall.

4. **Business acumen and other needed competencies are missing.** Comments on the survey and especially in the interviews indicate that competencies needed by all team members include business acumen, critical thinking skills, strategic agility, an ability to adapt to rapid change and a high degree of emotional intelligence. Individuals who make up the leadership team who do not understand the business model of the organization or who do not have the ability to balance the organization's mission and programs (what the organization does) with the business of the organization (how it does what it does in a sustainable way) negatively affect the organization's progress and waste resources.

5. **Ineffective communication and team meetings.** Creating effective communication processes (up, down and sideways) is a self-described challenge faced by many teams. Ineffective leadership team meetings and not enough time to brainstorm or simply discuss strategic issues were also cited as common team challenges.

6. **Personality and style differences of team members are not valued.** Personality and style differences are a problem for many teams and this is the lowest rated of the 10 key issues in our survey. To support this, many research studies have shown that if this diversity is valued and used, it can lead to better decisions and teams that are more effective.

# Brief Overview of Methodology and Data Gathered

Over the period of two months, we asked people to respond to a public survey on the effectiveness of their teams and provide comments on their biggest team challenges. We also conducted interviews with 22 CEOs. Of the 91 survey respondents, 58% identified themselves as the Executive Director or CEO of the organization and the other 42% were members of the senior leadership team.

## Size of Team

| | |
|---:|---|
| 3 or less | 26 |
| 4 to 5 | 36 |
| 6 to 9 | 18 |
| 10 or more | 10 |

## Size of Organization

| | |
|---:|---|
| Under 1 million | 23 |
| 1 to 5 million | 42 |
| 5 to 10 million | 9 |
| 10 million and above | 16 |

## Overall Effectiveness of Your Team

| | | |
|---:|---|---|
| Very Effective | 7.0 | 11 |
| | 6.0 | 30 |
| | 5.0 | 30 |
| | 4.0 | 11 |
| | 3.0 | 4 |
| | 2.0 | 3 |
| Very Ineffective | 1.0 | 2 |

**Average rating 5.1 on a scale of 7.0**

## Level of agreement for your team? Scale 1-7 (strong agreement)

**Team members** ■ **Executives**

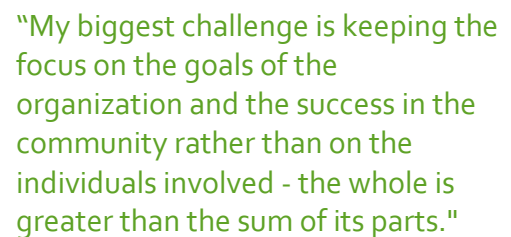| Question | Team members | Executives |
|---|---|---|
| Power and knowledge are dispersed throughout the team and do not rest with one or two individuals. | 4.81 | 5.4 |
| Different personal styles and perspectives of team members are understood and valued. | 5.11 | 5.74 |
| The team can deal constructively with conflict (conflict is neither avoided nor destructive). | 4.76 | 5.4 |
| When making decisions or solving problems that impact the whole organization, all team members are able to see the "big picture" and not just their functional or programmatic area. | 4.81 | 5.49 |
| We do not have personality clashes within the team. | 4.08 | 4.74 |
| All team members are clear about their roles, responsibilities and expectations as individuals. | 5.41 | 5.58 |
| The team has defined the values, competencies, and skills needed by senior leaders. | 4.57 | 5.15 |
| We have a clear organizational strategy, priorities, and goals. | 5.3 | 5.51 |
| The members of our team trust each other. | 6.03 | 5.81 |

**FINDING #1**

**Lack of a Big Picture Perspective. CEOs defined their greatest challenges with senior leadership teams as finding or growing team members with a holistic organizational perspective rather than a narrower program or functional perspective. Specifically they describe the need for all team members to move easily from advocating for the needs of their program or functional area to finding solutions or creating strategies that best serve the whole organization.**

The best leadership teams include members who have a big picture understanding of the organization and a broad leadership perspective that is concerned with more than their own program or function's work and resources. Members of these effective teams work across boundaries, outside their own "silos," and with others across the organization.

A recent study, *Boundary Spanning Behaviors*, from the Center for Creative Leadership reported that "92 percent of senior executives believed that the ability to collaborate across boundaries became more important as they moved from middle- to senior-level management. It appears that with each increase in level, there are more boundaries to span, a greater emphasis on cross-enterprise coordination and increased focus on bridging the organization with the external environment. This creates problems for both the organization and the manager when he or she fails to make the shift in mindset."

The "big picture perspective" may sometimes be lacking in nonprofit leaders as many of them have moved through a narrow and specialized career path. For example, many Human Services organizations hire social workers into their organizations who advance along a path from Case Manager to Supervisor, frequently ending up in senior positions such as a Program Officer. Without experience, or a degree or training in other aspects of managing a nonprofit (such as finance, development or operations), many of these dedicated staff can only see or understand their smaller part of the overall organization.

"My biggest challenge is keeping the focus on the goals of the organization and the success in the community rather than on the individuals involved - the whole is greater than the sum of its parts."

Not being able to see the big picture or span the boundaries affects the team's ability to solve problems or make decisions and frequently requires the CEO to get involved. As an example, an organization was seeking to add a new fee-generating education program that would allow it to phase out another program that had been consistently losing revenue. The Director of Educational Programming strongly opposed such a move because of the strain it would cause on her already busy education staff. The Director of Human Resources proposed a solution that would involve the use of interns to bridge the gap between programs. When the Director of Education refused to consider the intern solution, both Directors found it necessary to involve the organization's CEO to make the decision.

To create alignment and commitment across boundaries, leaders need to work together across differences that traditionally divide them. In many nonprofits one such activity is creating the annual budget, which can often be viewed as dividing the $$$ pie. Another activity that often highlights differences and requires big picture viewpoints is creating a strategic plan or priorities. Planning activities often require choosing which programs must go, change, or grow and which trends or environmental conditions will require the organization to adapt. Here are a few ways to help break down boundaries and grow the big picture perspective of the team.

1. Make preparing the budget a group activity. Leaders can take a first crack on their departmental budgets as an individual activity, but then should come together as a group to discuss, refine, and negotiate the final budget that will be presented to the Board. The CEO, or an outside facilitator, must use this opportunity as a teachable moment to explain the ramifications of certain budget decisions. Using "what if" scenarios and asking team members to prepare another department's budget are other ways to instill a new perspective.

2. Although creating a full-blown strategic plan involving the Board is usually done every three years, an annual revisiting of the plan and creation of short-term action plans can be an excellent opportunity for group discussion and alignment. In a recent online publication, management consultant Fred Nickols said, "The first thing to know about strategic planning is that its greatest value is to be found in the process, not in the plan. That's right; most of the value of strategic planning stems from the thinking, discussion, debate, analyses, insights, common understandings and commitments to action made during the process, not their documentation in the form of a written plan. This is not to say that there is no value in the plan itself but the value of the plan is far less than that obtained from the process." In all of the strategic planning work we do with clients, Dewey & Kaye consultants are always aware of this opportunity to instill the "big picture" of the organization into staff and board leaders.

3. Talent Development involves an organization's ability to continuously attract, develop, and retain people with the capabilities needed for current and future organizational success. Jim Collins in *Good to Great* talked about the importance of getting the right people on your bus (in this case your team), getting them into the right seats and, perhaps most importantly, getting them off the bus as soon as it is clear they are not a fit. For the purposes of building big picture leadership, we suggest that when you have the opportunity to hire or promote a new person to your leadership team, you screen for people who innately see the big picture and who possess business acumen, critical thinking skills, and other leadership competencies identified in this report. Our Executive Search and Leadership Development consultants can also help you to build a competency model or create a set of interview questions that will help you to recruit and screen candidates for the competencies your team needs.

4. Finally, many cities and town have a community leadership development organization that develops and connects community, business, and civic leaders. Through retreats, seminars, service projects, discussion groups and community tours, participants typically explore critical community issues, examine themselves as leaders, and build relationships of trust and mutual understanding with others. This may be a way to develop the larger perspective in an individual.

**FINDING #2**

**Lack of a Shared Direction, Priorities, Goals, and/or Values. A direct correlation existed between organizations that rated their team's overall effectiveness as low and those that rated "common focus, direction, and values" as low. This leads us to conclude that clear and shared strategic direction, priorities, goals, and values are the foundation for building an effective and high functioning leadership team.**

A healthy and effective team requires a clearly stated purpose and direction: not just an understanding of what needs to be done in the short term, but also an understanding of the overall focus of the team. Shared goals and objectives leads to commitments and accountability. Members of effective teams share a sense of common purpose. They are clear about the team's "work" and its importance to the organization's success. They can describe what the team intends to achieve and have developed mutually agreed upon and challenging but realistic goals that clearly relate to the team's vision. Strategies for achieving goals are clear. Organizations with a clear and agreed upon mission, a strategic direction with measurable and realistic goals, and action plans that clearly spell out who is responsible for what activities report higher overall team effectiveness. In addition, those organizations who clearly define -- and hold people accountable -- to certain values or behaviors also report higher levels of team effectiveness.

It must be pointed out that consensus on strategy, expectations, etc. is not enough. The ability for all members of the team to be able to use the same language in describing the mission and the strategies is equally important. Low-performing teams may be stuck in a mire of conflicting opinions and ambiguous interpretation of even the most fundamental concepts. This "shared vocabulary" is particularly important when the goal is ambiguously worded. For example, all team members may be able to agree that a goal is to "deliver consistently high quality customer service"; but each person individually may define words like "high quality" or "consistent" or even "customer" differently. This clarity is even more needed when talking about something like organizational values. Using clear definitions, measurable and specific goals, and describing values in terms of exhibited behaviors will help in creating a shared vocabulary.

When teams don't commit to a clear plan of action with measurable goals and a time-line, peer-to-peer accountability suffers greatly. Even the most focused and driven individuals will hesitate to call their peers on counterproductive actions and behaviors if they believe those actions and behaviors were never agreed upon in the first place.

1. Highly effective teams are consistently found to be characterized by a clear sense of direction, a deep sense of shared vision and purpose, and a clear understanding of the actions and outcomes that must be produced by the team in order to accomplish its purpose. A strategic plan is the typical way nonprofits define their direction, priorities, and vision. We believe that the best strategic and action plans are created jointly with board and staff leadership. However, even when the Board is unable or unwilling to undertake a strategic planning process, the leadership team can create an informal plan to guide its actions and solidify agreements on goals.

2. Our 20 years of strategic planning facilitation have proven that strategies and plans that lead to shared goals and objectives must include measurable goals and milestones. Nonprofits should have dashboards or key performance measures (or metrics) that everyone can understand and follow. Key performance metrics are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization. They will differ depending on the organization. What you need are not just goals but also metrics that are Specific, Measurable, Actionable, Relevant, and Timely –- SMART metrics.

   - "Specific" in that your metrics are targeted to the area you are measuring. For example, if you are measuring customer satisfaction, a good metric would be direct feedback from customers on how they feel about your service or product. A poorer metric would be the number of returned products or number customer complaints. While direct "internal" measure, they are indirect measures of customer satisfaction and, as such, can be misleading and produce unwanted surprises later on.
   - "Measurable" in that you can collect data that is accurate and complete.
   - "Actionable" in that the metrics are easy to understand, and it is clear when you chart your performance over time which direction is "good" and which direction is "bad," so that you know when to take action.
   - "Relevant" simply means don't measure things that are not important. A common downfall of organizations and teams is to measure everything, which produces many meaningless measures.
   - "Timely" metrics are those for which you can get the data when you need it.

3. Metrics should be simple. If they require a lot of explanation and definition, then collecting data and translating that data into actions becomes more difficult. Easy-to-understand metrics are easier to sell, and have a stronger impact on the process and the people who use it. Dewey & Kaye works with organizations in creating metric-driven strategic and business plans that are executable and understood by all.
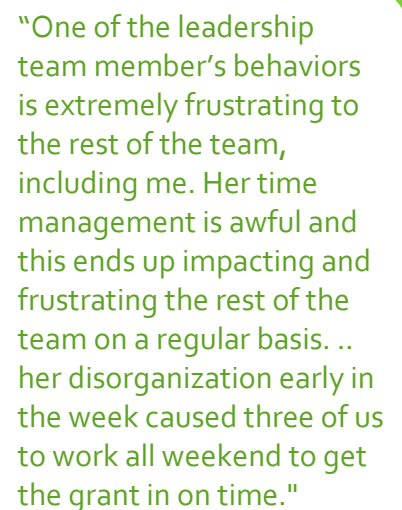
**FINDING #3**

**Individuals are not held accountable and poor performance is tolerated. Research participants described individuals who lack appropriate capabilities and skills, or have negative attitudes, that adversely impact the whole team in areas such as morale, trust, conflict and, most obviously, effectiveness. Leaders and teams who tolerate a poor performer or do not hold all team members to a consistently high standard were rated as less effective overall.**

There are many reasons that people who lack appropriate skills and competencies end up on a Senior Leadership Team. The CEO may have inherited a long-time employee with poor skills. The employee was perhaps very capable when the organization was smaller or less complex but the organization has outgrown the employee's capacity. Alternatively, it simply may be a problem of conflict avoidance. The CEO who hired or promoted the employee may feel responsible for a poor hiring decision, or for not being able to develop the employee to the needed level, and thus "avoids" dealing with the issue. The employee may be well regarded by certain "politically" connected stakeholders such as funders or board members who work to protect the employee's position.

The employee who is not up to the challenges either of the senior leadership position or to the complexity and magnitude of the organization they are supposed to be leading can have a devastating effect on the rest of the team. The overall bar is lowered when other team members begin to ask, "why should I work so hard when low performance is tolerated?"

A bad apple, at least at work, can spoil the whole barrel. Moreover, there is research to prove it. Will Felps, a professor at Rotterdam School of Management in the Netherlands, designed an experiment to see what happens when a bad performer joins a team. Felps divided people into small groups and gave them a task. One member of the group would be an actor, acting like a jerk, a slacker or a depressive. The results: Within 45 minutes, the rest of the group started behaving like the bad apple. In an interview on *This American Life* with Felps, the conclusion was, "Research has shown that the best predictor of how any team performs is not how great the best person on a team or the average of the group is like. It comes down to what your worst team member is like." Teams with the worst person at the bottom performed the poorest.

Finally, consider the impact of one or two low performers on your ability to recruit high performers into the organization. The best want to work with the best. In fact, just one weak link can dramatically influence an otherwise strong team — ultimately leading to turnover among the best performers. As author John Maxwell points out, "When good people find themselves working with people who are not carrying their share of the load, dissatisfaction creeps in. Pretty soon, the productivity of the really good people begins to fall off too. They lose motivation for excellence or they just get worn out from carrying someone else's share of the work."

> "One of the leadership team member's behaviors is extremely frustrating to the rest of the team, including me. Her time management is awful and this ends up impacting and frustrating the rest of the team on a regular basis. ... her disorganization early in the week caused three of us to work all weekend to get the grant in on time."

Bringing the capabilities of the all members of the team into balance with present realities and future aspirations is a complex challenge for any leader, however experienced. However, this must be done for the good of the team and the organization.

1. Let's start with Jim Collins' findings in *Good to Great*, specifically, "Those who build great organizations make sure they have the right people on the bus, the wrong people off the bus, and the right people in the key seats before they figure out where to drive the bus." In my view, this translates into the following actions:
   - Determine the characteristics of the "right" people on your senior leadership team. Build a model of the skills, competencies, behaviors, and values to which all key team members will be held accountable. Lay out clear performance management expectations and consequences of failing to achieve or make progress on these goals. Not sure where to start? Contact Dewey & Kaye for help in defining your Leadership Team Competency Model.
   - Provide developmental opportunities for leaders but make sure these developmental activities focus on the right areas. Consider implementing a 360-degree review for each member of your team. Also known as multi-rater feedback, 360-degree feedback is feedback that comes from all around an employee. Subordinates, peers, and supervisors provide feedback in an anonymous manner on skills, competencies, and behaviors. It also includes a self-assessment and, in some cases, feedback from external sources such as customers and suppliers or other interested stakeholders. The person receiving the feedback often uses the results to better focus training and development efforts. There is a great deal of controversy as to whether 360-degree feedback should be used exclusively for development purposes, or should be used for appraisal purposes as well. Dewey & Kaye recommends using an objective outside facilitator to conduct the survey, analyze the results, and write a balanced report. Contact us for more information on our 360-degree review process.
   - Get the wrong people off the senior leadership team. As soon as you have recognized that you have the wrong person and developmental efforts are not working, you must take the necessary steps to get the person off the team, and in some instances out of the organization. Collins describes this process as correcting a people selection mistake and advises that you need to be "rigorous in the decision, but not ruthless in the implementation." Help people exit with dignity and grace so that, later, the majority of people who have left have positive feelings about your organization.

2. The Team Leader, typically the Executive Director or CEO, must have a unique set of their own competencies and talents to lead the team and hold people accountable. These competencies include the ability to confront direct reports and "Managerial Courage", which are defined as:
   - Deals with problem direct reports firmly and in a timely manner.
   - Regularly reviews performance and holds timely discussions to let people know where they stand.
   - Faces up to people problems on any person or situation quickly and directly; is not afraid to take negative action when necessary.

**FINDING #4**

**Business acumen and other needed competencies are missing. Individuals who make up the leadership team who do not understand the business model of the organization or who do not have the ability to balance the organization's mission and programs (what the organization does) with the business of the organization (how it does what it does in a sustainable way) negatively affect the organization's progress and waste resources.**

In a previous study, *Nonprofit Leadership Development: A Model for Identifying and Growing Leaders Within the Nonprofit Sector*, we outlined a list of competencies needed to successfully lead an organization. Many of the CEOs we interviewed referenced some of these same competencies -- strategic agility, adapting to rapid change, and excellent interpersonal skills -- as needed in their senior leaders. Just as importantly, they discussed the need for all leaders, regardless of functional or programmatic responsibilities, to have critical thinking skills and business acumen. Many CEOs and team members reported these competencies were significantly lacking in their leadership team.

*Business Acumen* can be defined as the knowledge and ability to make profitable business decisions. A more specific nonprofit definition is "a keen understanding of what it takes for an organization to make or raise money in order to fulfill its mission." It combines financial literacy (the ability to interpret financial statements) with business literacy (how strategic decisions impact the bottom line).

Similarly *Critical Thinking* has been defined by the philosophy professors Joe Lau and Jonathan Chen as the ability to think clearly and rationally, and includes the ability to engage in reflective and *independent* thinking. Someone with critical thinking skills is able to do the following:

- understand the logical connections between ideas
- identify, construct and evaluate arguments
- detect inconsistencies and common mistakes in reasoning
- solve problems systematically
- identify the relevance and importance of ideas

Critical thinking is not solely a matter of accumulating information; a person with a good memory who knows many facts is not necessarily good at critical thinking. A critical thinker is able to deduce consequences from the information at hand, to make use of information to solve problems, and to seek relevant sources of information to become informed.

Business acumen and critical thinking are essential in leadership teams. In a nonprofit, it is vital to be able to balance an understanding of the business (how the organization operates and makes money) with a deep understanding of the mission and programs (what the organization does). This balanced perspective can be lacking in both functional and programmatic leaders. As an example, the CFO who is adamantly against using the large amount of money in the reserve fund to serve more clients is just as ineffective as the Chief Program Officer who accepts serious cost overruns in the name of mission.

As we stated previously, talent development involves an organization's ability to continuously attract, develop, and retain people with the capabilities needed for current and future organizational success. Selecting and hiring people who have the right competencies is often the fastest way to build your team. However, it is not always a practical or affordable option for a nonprofit.

Growing or building your team will take longer and require more work but will pay off in the end. Before we outline developmental strategies for growing individuals on your team, a few cautions are in order:

- It is not realistic, or necessary, to expect that 100% of your leadership team will be rated highly competent (5 on a 5 point scale) on all the competencies mentioned here or identified in your competency model. Depending on your team size, structure, and composition, a few key members who are highly skilled will be enough to tip the rest of the team and lead the way. On the other side of this equation, you cannot afford to have a senior leader with decision-making power or who is involved in setting the organization's strategic direction rated a 1 or even a 2 on the same 5-point scale. Figure out what is the best and most realistic mix for your team.
- There is some debate over how easily you can instill certain competencies (critical thinking, strategic thinking, learning agility) into someone who does not innately possess them. Tolerating a key team member who just does not grasp these competencies and can't develop them will send you right back to Finding #3 in this study.

1. Business schools often use case studies to both train students in critical thinking exercises, as well as to gauge understanding of complex business concepts. A similar approach can be used when screening candidates for these key skills. Use the interview process as an opportunity to gauge a prospective employee's assessment of a real or hypothetical scenario that your organization might face. This same process can be used to determine if someone should be promoted to the senior leader level. Be aware that case studies and scenarios don't necessarily have a right answer; yet they are extremely valuable for watching a critical mind at work.
2. Growing business acumen may mean that you must involve leaders in the organization's financial results. Often this means that leaders' performance, and thus their decisions and actions, are linked to financial performance. This may include both administrative and program focused team members. Refer to the remedies in Finding #1 for information on involving leaders in budgeting and strategic planning.
3. Another idea for growing these skills in your senior leadership team is to make time for discussions about issues facing not just your organization, but also your sector, all of the nonprofit world, the business world in general, or all the country or society. Some organizations we work with assign readings to the team and then in a group discuss learnings and how to apply to them to the organization. Books like *Good to Great, Forces for Good*, or articles from the Stanford Innovation Review, Nonprofit Quarterly, or Harvard Business Review are all good places to start.
4. Get your team out there. Have them join or attend professional associations, briefings, networking events, etc.
5. Developing a culture that values business acumen promotes the understanding that it is not enough to ask, "How do we cut costs?" or to say, "We need to raise more money." Digging deeper, employees with higher levels of business acumen will ask questions that take into consideration the

far-reaching impact of potential decisions and demonstrate a greater ability to make the connections between financial performance and mission impact.

Here are some key questions that indicate the type of business knowledge that can be helpful in making strategic decisions and identifying issues. Use these as discussion points with your senior leadership team.

- What is our cost per unit? Has that cost changed substantially in the past several years?  If so, why?
- Does our pricing cover our costs for service delivery?
- What is our estimated monthly cash flow for the next six months? Are there any significant fluctuations that we need to plan for?
- How many months of operating reserves do we have?  Will that be sufficient if we encounter a funding gap?
- What is our ratio of cash and current assets to current liabilities? Are we comfortable that we can honor our obligations?
- How diversified are our revenue sources? What are the risks inherent in our funding structure?
- How much does fundraising cost us per dollar raised?
- What is the nature of our competitive landscape?  What is our competitive advantage?
- Is our business model sustainable? Does our infrastructure adequately support mission-driven programs?
- What do our competitors and contractors say are our weaknesses and strengths?
- Where are we exposed so that if anything went wrong, it could be catastrophic to our future?
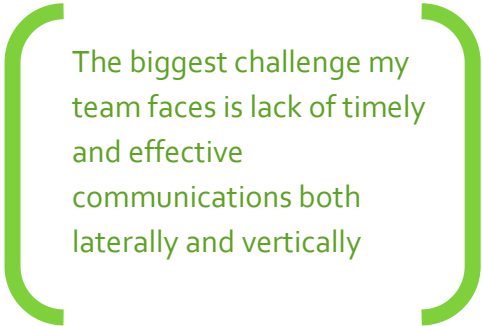
**Ineffective communication and team meetings. Creating effective communication processes (up, down and sideways) is a self-described challenge faced by many teams. Ineffective leadership team meetings and not enough time to brainstorm or simply discuss strategic issues were also cited as common team challenges.**

The first communication challenge that leadership teams face is often what, how, and how much information to communicate within the confines of the team itself. Does everyone need to know everything that goes on in another department? Do they need to know it advance of a decision being made or is it OK to just inform after the fact? How much information should the CEO share with the team and in what form?

The comments received as part of our survey and typical of what we find when doing organizational or cultural assessments with clients or even employee satisfaction surveys. Most of the comments indicate that team members don't like to feel out of the loop and often believe that not enough information is being shared with them. However, some team members and CEOs also report that they spend large amounts of time communicating with each other and that sharing more information only results in wasted time and decreased effectiveness.

Similarly, communication decisions that affect the leadership team are what, how, how much, and when to communicate information to other staff throughout the organization. Again, too much or too little information presented results in different problems for the organization.

The final communication issue frequently reported in our research is the effectiveness of regularly scheduled team meetings. These meetings sometimes suffer from an overly rigid agenda or process that ends up having each team member give merely an update or report on their functional area. This type of meeting rarely allows for a discussion of more strategic issues, brainstorming, or problem-solving activities. On the other hand, completely unstructured team meetings can result in lack of focus, wasted time and having one person dominate the discussion to the frustration of all who attend.

> The biggest challenge my team faces is lack of timely and effective communications both laterally and vertically

`Internal Communications:` We just don't have enough room in this report for lengthy recommendations on improving internal and team communications. In addition, we believe that much depends on an organizations' size, culture, number of locations, and leadership abilities. The only way we know of to thoroughly assess your communication's issues and create customized remedies is to do an organizational assessment, communications audit or employee survey. We do suggest that all new messages that need to be communicated begin with a basic communication plan that answers these five questions:

1. What key messages do you want/need to convey?
2. To what employees do you want to convey the key messages (e.g., senior leaders, managers and supervisors, direct service workers, all staff, etc.)?
3. What is the best approach to reach each employee group, including who should convey the message? (Tip: Research from employee satisfaction surveys suggest that the best person to communicate the message, specifically if the communication relates to change within the organization, is the employee's supervisor.)
4. How will you communicate the message (in person, email, newsletter, staff meeting, etc.)?
5. How will you know if you are reaching these employees or not?

`Meeting Effectiveness`: While every organization faces different challenges in senior leadership team meetings, the most commonly reported challenges fit into one of four areas. The table below identifies the issues and provides some general guidance for resolving them.

| ISSUE | ASK |
|---|---|
| **Wasted time; holding regular meetings when there is nothing to discuss.** | **Should we or should we not meet?** While weekly, monthly or regular meeting can be used to ensure that everyone is regularly communicating, they can be painful (and a big waste of time) if there is nothing new to share. If there is little to be accomplished by holding the regularly scheduled meeting, consider sharing information in another form such as an email or brief conference call. However, if you find your group only meets during a crisis, or avoids meeting altogether, you have another type of problem to deal with. |
| **Meetings just report out activities with little time for discussion, brainstorming, or strategic planning.** | **What type of meeting?** Not all senior team meeting should include the same agenda. Some meetings are held to disseminate information or report progress, others to build consensus, and still others are a chance to discuss, brainstorm, or create plans. Decide the type of meeting you need and clearly communicate the purpose |

| | and desired outcomes to all in advance. |
|---|---|
| **Meetings go off track or people go on tangents and monopolize the conversation.** | **What is the specific agenda?** Almost all meetings, even those for discussion and brainstorming, need an agenda. The agenda should indicate time allotted for each item. The agenda distributed in advance allows people time to focus their thoughts and understand desired outcomes. Make sure that you honor the end time stated in the agenda |
| **We make decisions or reach agreement but no one follows through.** | **What actions must be taken as a result of this meeting?** Five minutes before the allotted end time of the meeting, the leader should summarize the decisions that have been made. Review actions that must be taken before the group meets again, who will be responsible, what will happen, and by when. If people fail to follow through on agreements, the leader or the group as a whole needs to hold them accountable. |

To learn more about our organizational, cultural and communications assessments, contact Leslie Bonner at Dewey & Kaye.

**FINDING #6**

**Personality and style differences of team members are not valued. Personality and style differences are a problem for many teams and this is the lowest rated of the 10 key issues in our survey. To support this, many research studies have shown that if this diversity is valued and used, it can lead to better decisions and teams that are more effective.**

Personality differences and behavioral styles are often a challenge to teams when it comes to dealing with conflict, making decisions, the pace of change, or problem solving styles. However, we know from previous research that these differences in perspectives can also lead to better decisions and greater innovation. Diversity of behavioral styles or personalities results in:

- More innovative solutions to problems
- Greater creativity
- A healthy level of conflict that leads to better decision making
- More effective teams when judged over time

A consequence of the diversity of styles on a team is often more interpersonal conflict as reported in our research. However, teams that do not have diversity of perspectives are also more prone to a condition called "groupthink" which is characterized by a norm for consensus which often means the group does not have a realistic appraisal of alternatives. Groupthink can result in:

- Poor information gathering
- Selective information processing
- Development of few alternatives
- Failure to consider risk fully
- Failure to reevaluate decision and alternatives
- Failure to develop contingency plans
- Failure to execute plans (if the group is more interested in creating new plans or programs rather than following through or maintaining current plans or programs)

To summarize: Groups with high similarity will reach quicker decisions, but are more likely to make errors due to inadequate representation of all viewpoints and may suffer from a groupthink mentality. Groups with many different styles will reach decisions more slowly (and painfully) but will reach better and often more innovative decisions because more viewpoints are covered.

One member of the leadership team thinks in very cut and dried terms, while the other member thinks more in "shades of grey" - for example, person one will be quick to make a decision and view things very cut and dry, while person two will have multiple considerations/thoughts before making a final decision. While this diversity in thought can sometimes be an issue, more often than not, the compromise that typically results brings healthy balance to the leadership team and the organization."

Personality plays a critical role in team building relationships, disagreement, friction, conflict, and ultimately, performance. There are many tools available to teams that will help individual members understand their own personality style or behaviors, learn about the differing styles of other team members, and most importantly, understand the need to adapt and modify their styles and behaviors when communicating with others.

At Dewey & Kaye, we frequently use the DiSC Profile and occasionally the Myers Briggs Type Indicator (MBTI) in our work with teams. Each of these tools requires that individual team members complete a profile or inventory online. We facilitate a follow up workshop with the entire team. During the workshop, we share and discuss individual profiles and the team's overall group profile. Typically, the goals of this activity include:

- Understand and acknowledge the unique contributions of all members of the organizational team
- Increase the effectiveness of problem solving and decision making by helping individuals to understand different work preferences
- Provide a framework to build and maintain balanced teams that value differences
- Create a foundation for managing team strengths and allocating resources more efficiently
- Identify effective methods to resolve conflict with differing work styles

A DiSC or MBTI team workshop, combined with our Team Diagnostic Instrument, is a great way for your team to achieve harmony and develop a nonjudgmental way to confront each other over matters involving differing styles and perspectives. During the workshop, teams learn to value the diversity of viewpoints and strengths.

A new tool from the DiSC line also allows us to take any two individuals and provide an evaluation of how they are similar and different. This comparison and contrast provides tips for more effective communication and conflict resolution and has been used with great success in resolving conflict and communication challenges between two team members.

**The steps you need to take to diagnose and begin building a healthier and more effective team.**

1. Using the Dewey & Kaye Nonprofit Senior Leadership Team Diagnostic on the following page, have each individual team member complete the assessment.✹
2. Compile and analyze the results, creating the average for each question.
3. Review and discuss the lowest rated areas and look at the remedies we have outlined in this report.
4. Working with the team, agree on an action plan for addressing the areas you have prioritized.

✹ Consider hiring Dewey & Kaye to conduct an expanded version of this diagnostic with your team. Allowing the team to complete this survey online, anonymously, and with the ability to include detailed comments will result in better-focused results. We can also work with your team in a facilitated discussion to identify priorities and an action plan for addressing those priorities.

# Dewey & Kaye
# Nonprofit Senior Leadership Team Diagnostic

| Team Trait | Rating |
|---|---|
| 1. Team members have a big-picture perspective of the organization and are not focused purely on their program or functional area. | |
| 2. Team members demonstrate behaviors that span the organization's departmental and program boundaries. | |
| 3. Team members can move easily from advocating for the needs of their program or functional area to finding solutions or creating strategies that best serve the whole organization. | |
| 4. The team understands what it needs to accomplish and has the resources needed to be successful. | |
| 5. Power and knowledge are dispersed throughout the team and do not rest with one or two individuals. | |
| 6. We have a shared understanding of the organization's strategic direction, priorities and goals. | |
| 7. We share an agreed upon and understood set of values that all team members uphold. | |
| 8. We have a set of key organizational performance measures that all understand and follow. | |
| 9. The team can deal constructively with conflict (conflict is neither avoided nor destructive). | |
| 10. Members of our leadership team discuss and debate in search of the best answer. | |
| 11. All team members are clear about their roles, responsibilities, and expectations as individuals. | |
| 12. The team has defined the competencies and skills needed by senior leadership. | |
| 13. All team members are held accountable to a consistently high standard. | |
| 14. Poor performing team members are provided developmental coaching. If they cannot develop the needed attributes, they are removed from the team. | |
| 15. New team members are hired with the competencies, skills, attributes and values needed for the organization now and in the future. | |
| 16. All team members have a reasonable degree of business acumen, critical thinking skills, and strategic agility, an ability to adapt to rapid change and a high degree of emotional intelligence. | |
| 17. All team members have a reasonable degree of emotional intelligence. | |
| 18. All team members have a reasonable ability to adapt to rapid change. | |
| 19. Team members have the ability to balance the organization's mission and programs with the business of the organization. | |
| 20. We have effectively defined what, how, and how much information to communicate within the confines of the team itself. | |
| 21. Conversations within the team are very effective in producing committed action. | |
| 22. Senior Leadership team meetings are effective and used appropriately. | |
| 23. Different personal styles and perspectives of team members are understood and valued. | |
| 24. The team can deal constructively with conflict (conflict is neither avoided nor destructive). | |
| 25. We do not have personality clashes within the team. | |
| 26. The members of our team trust each other. | |

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# About the Author

**LESLIE BONNER**
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Leslie Bonner joined Dewey & Kaye after working for more than 20 years in consulting, organizational and leadership development in both the for-profit and nonprofit sectors. Leslie is an experienced management consultant and facilitator with specialized skills in guiding organizations and teams to formulate measurable strategies, aligning these strategies with behaviors and goals, and dealing with communication and group dynamic challenges. In addition to strategic planning, her work includes assessment and development of nonprofit organizations, boards, leaders, and teams.

Prior to joining Dewey & Kaye, Leslie was a strategic planning and organizational development consultant to businesses and non-profits. As a business owner, she provided management and leadership skills training and outsourced human resource solutions. Leslie also has worked in senior organizational development roles with Fortune 500 organizations including PNC Bank and Westinghouse.

Leslie has significant teaching, training, and coaching experience. Most recently, Leslie has been an adjunct faculty member at the graduate level at the University of Pittsburgh (GSPIA), and Carlow University where she has taught Strategic Planning and Strategic Leadership classes. She is the author of a study on Nonprofit Leadership Development: A model for identifying and growing leaders within the nonprofit sector.

Leslie holds a M.Ed. degree in Counseling with a focus on group dynamics, a B.A. in Business and Psychology, and has taken executive education courses in Business and Change Management at Carnegie Mellon University and Harvard. She is certified in a number of tools used to assess and build organizations, leaders, and teams.

Leslie has served on a number of community nonprofit boards. She is currently on the Community Advisory Board for Family Services of Western PA and is on the Board of Directors for Alle-Kiski HOPE, a domestic violence shelter.

Her current work with nonprofit clients includes strategic planning, organizational assessment, leadership and team development, as well as work with Board governance and development.

Since 1990, we have been providing consulting assistance to nonprofits, foundations, associations and government agencies, enabling them to carry out their missions in the face of formidable challenges. Dewey & Kaye combines considerable expertise in nonprofit consulting with the financial acuity of our parent company, McCrory & McDowell, to offer high quality and a full range of organizational development and strategy services to organizations.

For more information on our services, please visit our website at www.deweykaye.com or call 412.434.1335.



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- Strategic and Business Planning
- Sustainability and Scenario Planning
- Unit Cost Analysis
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**Executive Search and Transition Management**

- Nonprofit Executive Search
- Succession Planning
- Interim Management Services
- JobsWatch - an Online Nonprofit Jobs Newsletter
- Compensation Benchmarking

**Organization, Leadership, and Board Development**

- Board Assessment and Development
- CEO Performance Assessment
- Team Assessment and Development (DiSC, Myers Briggs)
- Skills Workshops - (i.e. Finance 101, Management Skills)
- Organizational Assessment, Structure, and Design

**Mergers, Alliances, and Collaborations**

- Organizational Readiness Assessment
- Inter-organizational Due Diligence, Cultural Assessments
- Design of Collaboration or Alliance Model
- Facilitation of the Strategic Alliance Process
- Negotiation Assistance and Memorandums of Understanding
- Implementation and Integration Planning