Axelson Reviews Axelson Reviews

CONNECTING LEADERS, TRANSFORMING COMMUNITIES, FALL 2012

What inspires us

When we're coping with the day-to-day challenges of running an organization, it can be easy to forget what inspired us to become involved in the first place.

It can be especially easy to forget in a world that often places a premium on wealth



and material success.

But it's important to recognize and celebrate what makes the not-for-profit sector unique—and powerful. As Robert Egger, founder and president of DC Central Kitchen, noted at our 13th Annual Axelson Center Symposium, nonprofits can wield a tremendous influence on American society

continues on page 3

In this issue:

And the debate continues—Should nonprofits be more corporate? ... Page 1

Capitalizing on strategies that corporate America uses to recruit top talent ... Page 2

Tips on collaboration, connection, and communication ... Page 3

Symposium save the date ... Page 4

2012-13 webinar series . . . Page 5

Thanks to our 2012 Symposium sponsors ... Back Page

And the debate continues— Should nonprofits be more corporate?

At the 2012 Symposium, a panel of nonprofit professionals discussed the controversial topic, "Should nonprofits behave more like corporations?" It was a lively discussion, where the audience joined the panel by offering their opinions about which business practices work best in the nonprofit sector, and which should be left alone.

It is an important topic, and the Axelson Center will continue to look for opportunities to provide a forum for this area of discussion. emphasis," Schaeffer says.

Put differently: "We should be as corporate as we need to be, while holding our values intact," says James Jones, president and CEO of ChildServ. "It's not enough to do good; we need to do well. There's no reason we can't use business practices to help people. That means taking strategic planning seriously, constantly reviewing partnerships and governance, and so on."

"Doing well" can also mean making

"We should be as corporate as we need to be, while holding our values intact. It's not enough to do good; we need to do well. There's no reason we can't use business practices to help people." James Jones

Mission and the bottom line

Many nonprofit leaders worry that "going corporate" will lead to mission drift. Case studies and textbooks are full of examples of nonprofits that "chased money," lost sight of their core competencies, and, eventually, closed their doors. Kathy Schaeffer, the founder and president of a public relations firm serving nonprofits, acknowledges this concern. But, she notes, "when nonprofit groups focus on their mission, they often actually attract more donors, more clients, and more moneywhich makes balancing the budget easier." The key is to ensure that an emphasis on mission doesn't lead to tunnel vision. "We can focus on mission while we watch the bottom line. There's no need to choose one over the other; it's not an either/ or proposition, but rather a matter of

painful decisions to support the mission. Elyse Forkosh Cutler, Advocate Health Care's vice president of strategic planning and network development, notes that nonprofit leaders tend to be altruistic by nature. "That's wonderful," she says, "but it means that emotionally tough decisions—like letting staff go who don't meet expectations—can be particularly stressful for them. As a result, tolerance for poor performers may be higher here than in for-profit fields. We need to put our personal concerns aside if we are 100 percent committed to our mission."

continues on page 4

THE AXELSON CENTER FOR NONPROFIT MANAGEMENT

at North Park University in Chicago

The Axelson Review – Fall 2012

Capitalizing on strategies that corporate America uses to recruit top talent



Shannon Schuyler is the corporate responsibility leader at PricewaterhouseCoopers (PwC).

News headlines across the world focus on

record joblessness and struggling economies. A deeper story, however, lies in the scarcity of talent facing America. Today's workers simply don't have the skills employers need.

PwC's recently released 2012 Global CEO Survey found that almost 60 percent of U.S. CEOs planning to hire this year believe it won't be easy to find the right people. (And this despite a jobless rate that's hovered in the 8 to 9 percent range in much of the U.S.)

Similar to many nonprofit organizations, PwC doesn't manufacture any goods. This means that human capital is our greatest asset. Our employees are undoubtedly our most important internal stakeholders and we want to be responsive to their priorities. Studies show that Millennials those born between 1981 and 2000—are more interested in corporate responsibility than previous generations. Seven of eight Millennials are more likely to choose an employer with values that echo their own, according to a 2008 PwC survey, Managing Tomorrow's People. On the flip side, a similar percentage would consider leaving an employer if its values no longer matched their expectations. Corporations such as PwC understand the link between corporate responsibility and employee engagement, and are using these strategies to attract and retain top talent. So what are the tactics that nonprofits can employ to achieve a similar end? This article will help answer that very

A 2012 PwC survey (*Millennials at Work: Reshaping the Workplace*) shows that 65 percent of Millennials expect to make a

social or environmental difference *through their work* in the next five years—being responsible is not an add on, but needs to be a part of the work environment. This bodes very well for nonprofit organizations. Another compelling finding, especially for nonprofits not able to compete with corporate salaries, indicates that 45 percent of the students surveyed would take a 15 percent pay cut for a job that makes a difference in the world. The overwhelming need for work with purpose is a trend that charitable organizations should capitalize on to attract, engage, and develop their workforce.

One of the most significant challenges of nonprofits is the legacy of under investment in human capital strategies. Now more than ever, there is a need to apply significant and sophisticated resources to this effort as there is a real pipeline for talent interested in the field, but their continued engagement comes at a cost. To become and remain engaged, this generation needs a culture that celebrates innovation; facilitates frequent feedback; promotes advancement; embraces optimism and ambitiousness; and enables technology for learning and collaboration.

Nonprofits might struggle with providing this type of work environment; however, there are easy steps you can implement today that will start moving the needle in the right direction. Below are a few examples:

- Align your business plan and talent strategy: Make sure every aspect of your talent strategy directly contributes to your overall business plan and to creating value. Change anything that doesn't. Recognize the importance Millennials will play in your plans—they will not change, so the organization must pivot and embrace the new expectations of their current and future talent.
- Set them free: Millennials want flexibility. They work well with clear

instructions and concrete targets. If you know what you want done by when, why does it matter where and how they complete the task? Give them the freedom to have a flexible work schedule. Does it matter if they work from home or a coffee shop if that's where they are most productive? Set deadlines and if they meet them, don't worry so much about their tactics and the time they clock in and out.

- Expect Millennials to go: It's inevitable that the rate of churn among Millennials will be higher than among other generations, especially since many have made compromises in finding their first job, and this should be built into your plans. A connected, satisfied, and well placed alum can be just as valuable as a current employee—an army of advocates is a good thing.
- Get the "deal" right: It's important for employers to explain what they are offering a potential employee, but also what they expect in return. Think creatively about reward strategies and what motivates Millennials. For example, is it time to shift focus from salary range to other benefits? The vast majority of Millennials are attracted to the prospect of customizing their benefits. There is also a significant gap between perception and reality when it comes to the promises made by employers on diversity and work/life balance. If employers want to continue to attract Millennials, this has to be addressed—organizations should review the messages they are sending out and test them against the reality of the employee experience.

These are challenging but also exciting times as the shift in workforce expectations has gone beyond pay, and instead highlights innovation and flexibility. And nonprofit organizations are in an excellent position to capitalize on this positive trend.

The Axelson Review – Fall 2012

From the 2012 Symposium halls: Tips on collaboration, connection, and communication



Nicole Johnson-Scales, Senior Vice President, Fifth Third Bank

Consider that resources come in different forms, but all of them can help your organization grow if you're open to them.

As corporate social responsibility continues to evolve, companies continue to think of creative and meaningful ways to engage with not-for-profit partners. In addition to grants, corporations are providing access to networks, extending invitations to corporate events, and making introductions to vendors, clients, and others who can help support the sustainability of your organization.

Develop relationships that regularly connect you with your corporate partners. One of the best times to re-engage corporate partners is shortly after an event or initiative in which they invested. Use this as a time to update your contacts about the impact of the investment and ask if you can count on them again. Often not-for-profits don't take advantage of this opportunity, waiting instead until the following year to make another ask.



Cori Moschberger, Co-owner, Integrated Advising Services

Identifying your colleagues' communication styles can change your perspective and improve

your relationship management skills. It can also defuse potential conflicts. Knowing, for instance, that Person A isn't trying to be harsh, but rather is simply a "direct teller"—and that person B may not get to the point as quickly as a "direct teller," but is going to get your buy-in as a "persuasive seller"—can make a world of difference.

Understanding the role of personality in these relationships is also important. Suppose you're in a leadership role, and you're what's termed to be "low dominance"—in other words, you're naturally inclined toward a more supportive style of leadership. If someone who is "high dominance" reports to you, he or she is likely to create decision-making opportunities for herself if you don't provide them for her...and in the process you may feel she's trying to run you over.

Similarly, detail-oriented people may not be positive contributors to brainstorming sessions because they tend to see potential problems in new ideas—but those people are incredibly valuable when it's time to put plans in place and anticipate roadblocks.



Amina Dickerson, President, Dickerson Global Advisors

My Symposium session, Arts as Transformation, explored a series of questions: How are arts helping to

transform people and communities and how are artists/arts organizations impacting the larger society? The value of arts was cited as a source of community identity and as a method to preserve traditions. Attendees noted how arts nurtures ideas and communication, fosters confidence, and generates community economic benefit.

Creating partnerships, open dialogue, and sharing power with communities are principles for creating social change. One creative, non-traditional partnership was in a stressed Twin Cities neighborhood with limited healthcare services. A nearby theater had stood empty during the day and partnered with a medical provider to use its space for clinical support services. Waiting patients take improv classes, read plays, and gain exposure to the artistic process. Such unique combinations offer clients valuable experiences while offering artists important new insights about their art forms. Elsewhere, diverse organizations are partnering to share accounting services, human resources, and technology. By looking across sectors for opportunities these are win-win efforts for everyone, leading to cost savings and freeing resources to invest in programs and other services.

What inspires us (continued from page 1)

and politics. In Illinois alone, more than 500,000 people work in the sector, generating \$22 billion in payroll taxes. "The nonprofit sector is one of the biggest sources of outside investment in cities every single day," Egger noted. "We are major drivers of every economy in every city." A fact not known to many.

In this issue of the *Review*, we revisit some of the other observations and issues that may be unknown or under-appreciated and arose during this year's Symposium. We examine the lessons we can learn from the successes—and the failures—of the corporate world. Just as important, we look at important insights we can share with corporate America. It's all part of

celebrating what we do right while also taking inspiration from the work of others.

And speaking of inspiration, at our Symposium we were pleased to recognize three exceptional nonprofit organizations. The Center on Halsted won the Alford-Axelson Award for Nonprofit Managerial Excellence in the large organization category. Bickerdike Redevelopment Corporation won in the small organization category. Empowerment through Education and Exposure won the Excellent Emerging Organization Award.

May we all continue to learn from each other as we work to build a better world.

Pier C. Rogers, Ph.D.
Director, The Axelson Center

The Axelson Review – Fall 2012

And the debate continues (continued from page 1)

Another difficult reality: Sometimes organizations need to drop programs that consistently run in the red. Of course, that's not always the case. Just as companies may choose to support loss leaders, nonprofits may make strategic decisions to keep financially struggling programs. The overall budget, however, needs to stay in the black. Harold Rice, Jr., a 16-year veteran of the McDonald's Corporation and the current executive director and CEO of Albany Park Community Center (APCC), understands that. "The reality is that nonprofits are businesses, complete with revenues and expenses," he says. "Notfor-profit is just an IRS designation that determines how the government treats us. It doesn't mean 'no profit' or 'no money.' Mother Theresa had it right when she said, 'No margin, no mission."

Measuring outcomes ... differently

Many nonprofits struggle with increased pressure to measure and report outcomes. The notion of demonstrating a hefty ROI,

in particular, often frustrates groups working on a shoestring to provide essential services. Nevertheless, many recognize the merit of keeping an eye on performance measures as a way of staying on mission, and more and more nonprofit leaders are developing ways to redefine the "return" in ROI. Whether it's the number of immunizations administered or the number of homeless moved off the street, "return" aligns with the organization's mission.

Rice recognizes the benefits of measuring outcomes, and is deeply involved in the effort to find metrics better suited to nonprofits. "We need to measure what we're doing so we can maximize our impact and serve people even better," he says. "But we may need to make some modifications to the tools we use to do that." Toward that end, he's developing a software program that adapts the typical corporate ROI model for nonprofit applications.

Building useful assessment mechanisms for nonprofits requires knowledge of various measurement principles. Rebekah Levin, director of evaluation and learning for the Robert R. McCormick Foundation, notes that for nonprofits, assessments are often best used for learning and improving—not proving. Both businesses and nonprofits would do well to remember that "although quantitative measurements are often regarded with reverence, they're just as vulnerable to manipulation as qualitative measurements. And qualitative measures—which are often dismissed as soft and invalid—can provide robust data that help people understand impact and outcome from new angles. Using just one type of data will always be limiting."

Jim Collins (author of *Good to Great*) has noted that there are plenty of well-run nonprofits and poorly run businesses... and vice versa. It's not always realistic to expect what works for one sector to work for another. To say a nonprofit should run "more like a business" misses the point; the real goal is to do things well. As Schaeffer says, "It all comes down to finding the best ways to power your mission."



About the Axelson Review

The Axelson Review is published quarterly by the Axelson Center for Nonprofit Management at North Park University, which serves the educational needs of nonprofit professionals through degrees and certificate programs, on-site trainings, and an annual symposium series that addresses the contemporary issues and challenges confronting nonprofit organizations.

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The Axelson Review - Fall 2012 -5-

2012-13 Axelson Center webinar series

Webinars cost \$50 each or do the entire series of five for only \$200. Up to three individuals from the same organization may participate at no additional cost. All webinars are archived, and missed sessions may be viewed any time during the next 12 months. To register for a webinar, visit www.northpark. edu/axelson/workshops or call (773) 244-5799.

DECEMBER 12, 2012 | 12-1 P.M. (CST)



Employment Law 101 Kathryn M. Vanden Berk, Attorney at Law, Law Offices of Kathryn M. Vanden Berk, P.C.

While employees are a critical asset for our organizations, they also pose a potential risk. In fact, employment related claims comprise more than 85 percent of all nonprofit insurance claims filed under Directors and

Officers' Liability policies. This session will present the "needto-knows" when it comes to nonprofit employment law. A few of the questions that will be answered include:

- How do you legally hire and fire employees?
- Can we convert employees into contracted workers?
- Is "comp time" illegal?
- What federal and state employment laws apply to nonprofit organizations?
- What are the policies and procedures we need to have in place to protect our organization?

Participants are encouraged to send their questions to the instructor ahead of time so that specific issues can be addressed.

JANUARY 16, 2013 | 12-1 P.M. (CST)



Using Dashboards to Simplify Your **Board Reports**

Debra Stonikas, MBA, CEO, Northpointe Consulting, LLC

Do you find yourself and your staff scrambling to assemble the monthly board report? Are your reports inconsistent in their message, or lacking continuity? Do ideas and

projects get lost after a couple of months? This webinar will show you how other nonprofits are utilizing dashboards as the core of their monthly board report. These nonprofits are saving time, providing consistent performance messages, focusing on

key issues, and tracking projects through to completion. This webinar is appropriate for both directors and board members looking to simplify and strengthen oversight, transparency, and governance.

FEBRUARY 13, 2013 | 12-1 P.M. (CST)



Build a Better Board Meeting

Robert B. Acton, J.D., Executive **Director, Taproot Foundation** (NYC)

Has your board meeting become boring and routine? Do directors spend more time checking their smart phones than engaging on issues under discussion? Are you

under utilizing the talents, skills, and energy of your governing body? One key to developing a highly-engaged, energetic board of directors is to remake the way your agency "does" board meetings. This webinar will provide practical, easy to implement tools to reshape your board meetings. It's time to bring an end to what author Nancy R. Axelrod calls "mind numbing showand-tell [board] meetings with predetermined outcomes." Breathe life into your board by breathing life into their work. This session is created for executive and development directors, as well as board members.

MARCH 13, 2013 | 12-1 P.M. (CST)



Budgeting Basics

Tim J. O'Brien, Ph.D., Principal, **Mutuality Associates, LLC**

Budgets are a great tool for evaluating choices and setting direction for your nonprofit organization. But many times this useful planning tool can become a frustrating guessing game. Providing specific examples of

budget formats that are useful for nonprofits with multiple funding sources, multiple programs, and challenging grant application requirements, this webinar will teach the key steps to a successful budgeting process. This session is geared toward program managers, grant writers, or directors who want to develop basic budgeting skills.

www.northpark.edu/axelson/workshops



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