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# Empowering the Next Generation Requires a Sector-Wide Culture Check

By Miranda Hassell and Allyson Hewitt

*This article is the final piece in a series about intergenerational leadership. The series is published as a collaboration between The Philanthropist and Connect the Sector (CTS).*

The non-profit sector is in the midst of a leadership transition. We know that its future will rely on thoughtful strategy, succession planning, and change management. Strong data and recommendations for how to navigate this change already exist, including the Ontario Nonprofit Network's (ONN's) *Shaping the Future* (2013) and *Leading our Future* (2017) reports. Additionally, previous articles in this series have continued the vital discussion around the values and desires of millennials and younger generations. Despite the sector's general shared mission to make the world a better place, what's missing is a central ethos to bind us all together. A collective purpose – built intergenerationally – that can sustain us and inspire action.

This article has evolved from research, experience in the sector, and conversations between its two authors about building a shared intergenerational understanding of the sector's future. It will evaluate the sector's institutionalized practices and explore how it can prepare for the future. Focusing on culture, it will assess how we can weave social innovation, decent work, diversity, and inclusion into the sector's identity. The growing conversation about decent work is a great entry point to this discussion, but it has limitations. Sector leaders must also do the work of examining and challenging deeply held beliefs and actions that create both the positive and negative elements of its culture.

In a recent article, Struthers (2018) suggests that equity and inclusion might be a way forward beyond this tension: "Perhaps innovating social justice organizations and social innovation organizations that have taken up equity and inclusion are the harbingers of a new terrain." We want to explore this suggestion further.

**Financial instability is a real obstacle that has turned into a mental block**

We know – thanks to *Shaping the Future* (2013) – that the sector has a recruitment and retention problem caused by underpaid staff and a lack of career mobility. The report also devoted an entire section to burnout, noting that most respondents (EDs and CEOs) felt they were spread too thin.

In response to these issues, the report found that the best strategic opportunity for change involves engaging funders to create more and better funding opportunities. It notes, “addressing this challenge is a function of making an effective case to funders about the value of the work. However, this is a long-term challenge for the sector, and significant effort on this front has been long-standing. Continued and renewed effort will be required” (p 25). The Mowat NFP *Change Work* report (2015) underscores this, noting that instability in funding and resources exacerbates uncertainty in the sector, leading to an ongoing lack of capacity and long-term thinking.

The assessment doesn't end there. The *Change Work* report also brings up organization and sector culture before asking what stakeholders can do to enact cultural and structural change in the sector. In short, examining culture means we must look at the problem (and opportunities) from a new angle to come up with new solutions.

Sector culture is a significant factor in this assessment – in fact, we argue that the cultural barriers to embracing decent work exist for the same reasons as barriers to robust inclusivity. The consequence of this reality is that our sector continues to limit itself and, as a result, our collective impact.

Part of the reason we struggle to articulate to funders – and the public – the value of overhead or the rationale for paying competitive wages is because we prioritize our mission above all. This is a beautiful thing about the sector, but it becomes dangerous when it leads us to become martyrs for our work, or when leaders intentionally run organizations with a scarcity mindset. The *Nonprofit AF* blogger Vu Le highlights this in his article “Your crappy chair is not a badge of honor,” mentioning a satirical article from *The Onion* titled “Nonprofit fights poverty with poverty.” Humorous? Absolutely. And it makes the point.

We should absolutely call on well-positioned funders to lead the charge in changing giving in our country. They should educate their donors – both existing and prospective – about these issues and encourage them to give unrestricted and multi-year gifts. Toronto Foundation's Vision 2020 program, which recruited more than 100 young people to start endowments, will see these donors through a three-year journey that teaches them about responsible philanthropy. In addition, they'll also learn about equity, community development, and how to examine their privilege.

However, we also need to look internally at how we perpetuate limiting narratives within our own organizations.

Struthers (2018) shared how her work in social innovation appeared to position her as a neoliberal in comparison to more progressive activists. But she noted that changing funding models (like the emergence of social enterprise), the ongoing innovation trend, and systems change work involving cross-sectoral actors (i.e. P3 partnerships) came about because of severe government cuts. She also noted that many existing leaders in the non-profit sector came of age in an era when it was popular to apply Paulo Freire's dichotomous positioning of oppression and liberation (as noted in his seminal work, *The Pedagogy of the Oppressed*) to activism.

We would add that Gen Xers and millennials with little prospect of accumulating generational wealth by paying off their student loans or buying a house see social innovation and enterprise as a welcome compromise. Out of necessity, the next generation has begun to grow the social innovation sector, as well as negotiate with, and change, existing funding opportunities.

In a recent article, Ganz, Kay and Spicer (2018) note that the social enterprise and entrepreneurship (SEE) approach promotes social change as only possible through the market, rather than through government or grassroots movements. The authors argue that government, supported by strong social movements, can make the most impactful social change. But in Canada, with at least 78 First Nations communities still on long-term drinking water advisories, pervasive violence and injustice in the criminal justice system, and an ongoing affordable housing crisis – just to name a few challenges – there are clearly limits to what government can accomplish on its own without a transformation in our national culture and values.

These challenges are too complex to be understood within the same old binaries. Likewise, solutions to them will also be too complex for a single actor to carry out. And while suspicion of the corporate world and its intentions is not new, it remains clear that the social sector can still learn from it. We are poorly resourced. If we distrust emerging funding models and money from corporations, where does this leave us?

### **Non-profit group-think is holding us back from realizing decent work and inclusion**

Struthers (2018) argues, “A moral compass and an enclave of like-minded colleagues are important in social organizing, helping us stay strong and see the forest for the trees. They can also, over time, lead social organizers to adhere to a set of frameworks that prevent exploration of new types of work.”

According to Scott E. Page’s work, referenced in Mowat NFP’s Sector Signal series on diversity and inclusion (2014), models for problem solving are based on one’s experiences and identity. In a nutshell, Page believes that diversity in the personal experiences of problem solvers leads to more diverse and effective potential solutions.

The danger of group-think is that it can lead organizations to embed a culture of scarcity, of othering, of righteousness, martyrdom, and more. Therefore, we can use the conversation and initiatives around decent work to break the status quo and offer concrete policy improvements, but more importantly, we can turn the conversation about our work inwards.

### **A culture of decent work**

According to *Change Work*, symptoms of poor work in the non-profit sector include “concerns of employment stability, low levels of retirement and benefits coverage, high rates of part-time and contract employment, underinvestment in training and development and poor work/life balance” (p 1). The report attributes these issues to financial uncertainty, but also hints at the sector’s culture and values. Mowat, Atkinson, and the ONN created their own pillars of decent work to define what it looks like in the non-profit sector. The final pillar is Culture and Leadership. The authors argue that flexibility in leadership and overall work culture is vital to realizing decent work: it touches everything from work-life balance to fair treatment in the workplace to the passion one brings to the job.

One anecdote they shared – from a focus group that included diverse representatives from a variety of non-profit service groups in Toronto – noted that “some participants suggested that social justice is less of a motivating factor for younger employees” (p 20). This perception is worrying, as it highlights a perspective that some stakeholders in the sector may have towards incoming leaders. As argued by Struthers (2018), social innovation (or enterprise) has partly arisen out of a need to fill funding gaps. Further, research and case studies show that young people are deeply invested in causes and they demonstrate that though their purchasing and investing choices, as well as their philanthropy. It is also important to note that the ability to choose a job because of a desire to fulfil personal social justice goals rather than because of income needs is a choice that many young people, particularly women, trans and gender non-conforming people, people of colour, and Black and Indigenous peoples, do not have the luxury of making.

On poor working conditions, *Change Work* states that, “Many of these challenges may lie in an altruistic philosophy/management style in the sector — a belief in selfless concern for the well-being of others . . . In situations where leadership is deeply focused on community service, employees may be encouraged or expected to adopt this mindset themselves, forgoing investments like salary increases, professional development activities, and stable employment — all core elements of decent work” (p 24).

In other words, we must be clear on principles: if our sector’s mission is to increase quality of life for people, we can’t ignore our own. We can use the same passion for justice and equity to propel the sector forward as a leader in decent work. *Change Work* also argues that we have much to learn from the private sector, which demonstrates positive outcomes in both internal functions like employee retention and in profits. The latter, in our sector, involves social, cultural and/or environmental impact.

But the report does not simply suggest that we need more money to make things better. It offers some concrete recommendations, such as the need to: “Develop proactive diversity strategies, recognizing its value in promoting healthier, more responsive organizations. Recognize the role that diversity plays in promoting a decent work environment. Develop strategies to support and respect the mental and physical health of employees” (p 34).

However, we know that it will take more than proactive strategies. Changing a deeply-entrenched status quo will take personal resolve.

## **Diversity and inclusion**

The above-noted echo chambers and issues of financial scarcity also prevent the sector from leading on diversity and inclusion. The Sector Signal on diversity and inclusion (2014) begins by stating that every organization espousing the principles of equity, diversity, and inclusion doesn’t necessarily operationalize them. We are still not practicing the maxim “nothing for us without us.”

The assumption that sector leadership is on the same page about diversity and inclusion holds us back. The Sector Signal highlighted findings from *Shaping the Future* that showed that 75% of non-profit organizations are “neutral” towards recruiting diverse groups. According to follow-up focus groups, “Many participants voiced concern that ‘proactive’ meant a hiring decision that would be based on demographic profile and not skills, and some responded, ‘We hire for skills, not colour’” (p 5). On the one hand this speaks to the priority of hiring the best person for the job. However, it also frames hiring for skills and diversity as a zero-sum proposition, or a reaction to affirmative action.

Merit- and equity-based hiring are not mutually exclusive. A helpful metaphor for what balanced power looks like is described in a video narrated by Black Lives Matter activist Janaya Khan. Penguins huddle together in a spiral and, as time passes, the warmest penguins in the middle move to the outer limits of the circle to allow the coldest to get warm. The penguins in the middle know they rely on the outer penguins to survive and they work together. When one penguin moves, all other penguins move, together.

The Sector Signal correctly notes that the work of transforming organizations involves addressing long-standing assumptions, and particularly tackling discomfort and outright fear from those in positions of authority, or those who have traditionally held power.

This fear of losing power, or fear of change, drives racism, sexism, homophobia, ageism and more. This fear, coupled with “neutrality,” shows that our sector is not leading courageously. There is nothing – and there can be nothing – “neutral” about social change.

In terms of recommendations, the Sector Signal points to the for-profit sector. It has made measurable strides by developing an effective business case for diversity, which underscores productivity and therefore the bottom line. As Ganz, Kay, & Spicer wrote in their *Stanford Social Innovation Review* article, the market cannot be the dictator of social change, but it is embarrassing if the private sector (albeit imperfectly), is beating us on decent work and diversity.

This still positions diversity as a means to an end, rather than focusing on the wellbeing of the people on whom our work depends. Even then, diversity alone is not inclusion – it is the mix, and inclusion is getting the mix to work well together.

The Sector Signal’s final recommendation notes that, “Organizational change occurs only when strong leadership drives it, and increasingly there is a need for diversity and inclusion to be a desired core competency of leaders in the sector. But leaders must be given incentives and support from governance structures, funding partners and sector networks” (p 17).

We disagree on the last point. Incentives can be helpful, but it is crucial for leaders to have the humility to surrender power and examine their own biases, as well as the courage to leverage their positions of leadership to make change.

While these reports present crucial data to help us understand the institutional nature of the non-profit sector, they do not look at personal bias. There are many accounts of prejudice and discrimination within our ranks. Organizations like Race to Lead and individuals like advocate and researcher Jake Pyne deserve credit for raising and documenting this issue. Another example is the ONN’s decent work project, led by Pamela Uppal, which focuses specifically on the workforce using an intersectional

gender-based lens.

Our sector has more work ahead in confronting discomfort and fear related to these topics. This is especially true as long as stakeholders and leaders in it remain uncomfortable naming the racism, sexism, homophobia, transphobia, ableism, ageism, or classism that the non-profit sector permits and creates. And if we continue to talk about reconciliation but not decolonization. The conversation about reconciliation, in particular, has the unique potential to be both a bellwether and blueprint for sectoral and cultural change. Decolonization would radically change us from the inside out, and truly make us leaders in social change.

### **The future is empathy**

*Leading our Future* noted some consensus amongst emerging leaders on how to move the sector forward in terms of leadership competencies. It organized these into leadership types, three of which address the personal will needed to change the sector from the inside: 1) a builder of a strong, adaptive, and diverse organization; 2) a connector to identify and develop critical relationships, partnerships, and networks, with the ability to collaborate within and across sectors; and 3) an innovator that promotes learning and takes reasonable risks to adapt and adjust to the changing environment. Luckily, these leadership types aren't mutually exclusive and these personal traits can be nurtured in all leaders.

Key informants for the primary research also identified emotional intelligence, empathy, and authenticity as necessary traits of incoming leadership. The authors argue that, “the old expression ‘knowledge = power’ will not endure in the new shared power, leadership environment” (p 17). This is in direct conflict with the argument that more knowledge or expertise is always the solution to problems, particularly issues of social inequity. We know our work is about much more.

What we're really talking about is ally-ship. As Jessica Bolduc, executive director of the 4Rs Youth Movement, said in her March 18, 2018 Walrus Talk, being an ally is “an active process of change grounded in humility, generosity, and compassion. Allies are people who are willing to educate themselves and others, who will honour our full range of emotions, our sadness, our grief, and our rage, and walk through the fear, vulnerability, and discomfort that goes hand-in-hand with their imperfect offerings, so the seeds of change can germinate through the cracks.”

Working in the non-profit sector requires empathy. But what good is it if it's not actionable? In a recent article in *The Guardian*, Cornel West calls out self-proclaimed progressives who have sterilized Martin Luther King Jr.'s legacy, often through cherry-picking his quotes. West points to “fear for their careers” as a source of the selective memory that stops them from a more radical and inclusive understanding of injustice. He references a King quote that summarizes this, specifically for our sector, “What you're saying may get you a foundation grant, but it won't get you into the Kingdom of Truth.”

### **Q&A with the writers**

This Q&A represents snippets of what Allyson and Miranda spoke about during the development of their article, a true intergenerational conversation. It includes anecdotal references to their careers, which intersect with the topics of the article.

## **Where does innovation come from?**

**Allyson:** It comes from collisions between unusual actors and ideas. Innovation is also generated because our sector is also full of “passionate amateurs” – a phrase my colleague Al Etmansky uses to describe the often-neglected key generators of social innovation. In his blog he explains their value-add: they don’t see impossibilities, they’re creative, they have an “incentive for groundbreaking” and because they are both consumers and producers, they know the system inside and out. So when we’re thinking about supporting innovation we have to ask a couple of questions. What are we doing to jeopardize their innovation? How can we bring them along and nurture their vital leadership?

## **Is technology an answer to many of our social challenges?**

**Allyson:** Technology is just a tool to effect social change. We should start with understanding the issue, and then use all our tools to make an impact. But this means admitting our vulnerability when it comes to our knowledge of these tools. Some executive directors have requested discreet meetings with experts to learn about social media so they are not embarrassed in front of their staff, which strikes me as the wrong approach and a lost opportunity. Why not engage in and adopt reverse mentoring, where younger staff support senior staff in their development in this area?

**Miranda:** I’ve seen several workshops at conferences in our sector about using technology for social change innovation. But I’m worried that the people attending already know how tech can be useful – that these important learnings are being preached to the choir. Techies, harness your patience and empathy to make sure you’re bringing everyone alongside you.

## **Is the non-profit structure the best way to make social change?**

**Allyson:** You can make change in any sector, some as an entrepreneur, some as an intrapreneur. One of my favourite MaRS Mornings events featured Chia Chia Sun, the CEO of Damiva. Her product line is helping reinvent menopause. She was amazing. Not just because she is selling a product all women need but are reluctant to talk about, but because she thinks at the systems level. For example, she is working with the Writers Guild of America to help ensure TV shows reflect the real lived experience of older women. What a great way to help change perceptions – educate people when they think they are being entertained! Chia Chia Sun is a for-profit entrepreneur making a real impact. We could all learn from her and other entrepreneurs like her just as they can learn from the non-profit sector about being grounded and rooted in community.

## **How do we best engage millennials in social purpose work?**

**Miranda:** Contrary to what you might see on social media and in news coverage, millennials place a high value on authenticity. This ability to detect the false is in fact because we have been so thoroughly bombarded with ceaseless ads, that we are adept at determining what is real. The greatest compliment you can get on a video or even a meme is “True”. My most fruitful professional relationships with supervisors have been ones where both of us could be ourselves, and when my more experienced peers felt comfortable admitting mistakes. This kind of truthfulness has been so meaningful to me. Moving beyond traditional ‘professionalism’ to being fully human takes courageous vulnerability. But so does being a non-profit worker.

**Allyson:** We all get lots of requests for information meetings and although they do take time, I try very hard to accommodate them. Why? The (mostly) young people I meet are inspirational and I love getting the chance to follow their career. I also hope someone would do this for my son when he is in a position to seek employment, regardless of his family connections. But I've noticed a change. People don't come to see me saying they want to work in the non-profit sector. They say they want to make an impact and make money. They are convinced they can do both and they just need the (new) corporate structure to enable them to do that – and who are we to tell them any different?

### **How are the various sectors doing in embracing diversity and inclusion?**

**Allyson:**Historically the CSR conferences I went to all treated diversity as something that was nice to do, but today the conversation has shifted to being good for business. The business case for diversity and inclusion is strong. It leads to better results and is the right thing to do. Those that don't embrace this fully will lose on all fronts. The corporate sector has generally better embraced this concept.

**Miranda:** I've heard non-profit leaders say that proactive recruitment or affirmative action shows favouritism. That's also cited in the research in our article. In this regard, the sector has not just settled for, but enforced the status quo. I've observed a trend in what social justice movements leaders in the sector are willing to promote. Leaders tweet praises of the Parkland high school kids, but not Black Lives Matter. Both are youth-led, nonviolent movements with concrete objectives. One is led by white youth, the other by Black. People think they aren't racist but their bias that they probably haven't even considered comes out very clearly in things like this. A lot of leaders also shared a viral Simon Sinek video where he made a lot of assumptions about millennials that were based on a very class-privileged perspective and experience. I was so disappointed. I want them to know that younger leaders in the non-profit sector are watching, and when we come into our own we're going to hold them accountable for these kinds of double standards.

### **What kinds of leaders will we need going forward?**

**Allyson:** There is a move to develop 'T Shaped leaders' that have deep expertise in one area but a series of skills that enables them to move between sectors – something that is becoming more expected given the nature of short term contracts and/or portfolio careers. The CEO of IDEO Tim Brown explains a T-Shaped person like this, "The vertical stroke of the "T" is a depth of skill that allows them to contribute to the creative process. The horizontal stroke of the "T" is the disposition for collaboration across disciplines. It is composed of two things. First, empathy. Second, they tend to get very enthusiastic about other people's disciplines, to the point that they may actually start to practice them." It is my belief that more people will move in and out of sectors going forward with the result being greater opportunity for cross sectoral collaboration as we really begin to understand these various sectors and stop the "othering".

**Miranda:**I think sometimes we shy away from using the word "empathy" because it's "touchy feely" and we are very keen to be taken seriously as a sector. But empathy is essential to our mission. We should own it, teach it, and promote it. I like the simplicity of the "T-shaped" leader because ultimately I don't think that complex leadership theories *create* leaders, it's more about who you are as a person.

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