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**Crossing Generations:
Retooling Nonprofit Organizations**
Report from Civic Ventures and the Building Movement Project
December 2009

Executive Summary

The ideas and recommendations described in this report were developed by nonprofit leaders convened by Civic Ventures and the Building Movement Project, as part of the Encore Employer Initiative funded by MetLife Foundation.

The purpose of this gathering was to address how organizations can realign their practices to derive strength from the new realities of the multigenerational workplace. Rather than looking at the competition between the generations, the participants wrestled with questions about how organizations can be strengthened by this opportunity to integrate a work force that spans four generations.

Participants developed nine specific recommendations. The discussion was itself a first step on one of these. Civic Ventures and the Building Movement Project have moved forward on three others, as explained below. Further action on all of the recommendations remains to be considered and pursued in an ongoing dialogue about retooling nonprofits to leverage multigenerational strength.

Introduction

Over the past decade, nonprofits have increased their interest in developing leadership as well as attracting and retaining a skilled work force. One motivator has been alarm that the aging boomer generation will retire from the workplace during the next decades, creating a labor force gap particularly in leadership.¹ But things have changed during the past two years. The nonprofit sector has been hard hit by the

¹ Tierny, T. "The Leadership Deficit," Stanford Social Innovation Review, Summer 2006; Bell, J., Moyers, R. and Wolfred, T. *Daring to Lead: A National Study of Nonprofit Executive Leadership*. San Francisco: CompassPoint Nonprofit Services and The Meyer Foundation, 2006.

recession with organizations cutting back. At the same time, older employees are deferring retirement, both for financial reasons and in order to continue to contribute. Now the concern is focused on whether there is room in organizations for younger generations eager to make a contribution to the public good.²

In this atmosphere, it is easy to pit generations against one another. Some worry that older workers who remain in their jobs or those who want to begin a new stage of nonprofit work in encore careers might be squeezing out newer generations seeking their first jobs. Others claim that younger employees offering technological savvy at lower salaries are pushing aside experienced workers. Such fears and stereotypes are adversely affecting both ends of the age spectrum with little benefit to organizations that are struggling to stay afloat and meet society's growing needs. Rather than accepting an "either/or" framework, nonprofits should adopt a "both/and" approach to their work force dilemmas. Future success will likely take the work of all generations where organizations learn from the experience of older workers and take advantage of new thinking and skills offered by newer and younger ones.

Civic Ventures and the Building Movement Project, recognizing these concerns, convened *Crossing Generations: Retooling the Nonprofit Workplace* in June 2009. The meeting brought together a multigenerational group of nonprofit leaders to address how organizations can realign their practices to meet the new realities of the workplace. Rather than looking at the competition between the generations, the participants wrestled with questions about how organizations will have to change to integrate a work force that spans four generations.

The goal of *Crossing Generations* was twofold. First, the participants were asked about workplace issues facing older workers – both those staying longer and those seeking a new stage of work in nonprofit encore careers – and younger generations who are just starting or currently seeking nonprofit jobs. Second, the meeting looked to address solutions that are organizational and sector wide rather than focus on individual skills building and development.

² Salamon, L., Geller, S.L. and Spence, K.L. "Impact of the 2007-09 Economic Recession on Nonprofit Organizations." Johns Hopkins University Listening Post Project, Communiqué 14. 2009; "A Reluctance to Retire Means Fewer Openings," *The New York Times* September 2, 2009

In preparation for the meeting, the planning team identified several common cross-generational issue areas for those in the nonprofit work force including:

- ❖ Manageable positions that allow for healthy work and personal life integration
- ❖ Job benefits that reflect the needs of workers at different life stages, such as health care for older workers and school debt relief for younger ones
- ❖ Flexibility in how the work is done, that is, openness by organizational leadership to rethink the structure of jobs to be most effective
- ❖ Workplaces where there is acknowledgement of the contributions from all generations
- ❖ Cross-generational mentoring for professional development and organizational success

The participants (see Appendix) were selected to reflect a wide range of views and demographic representation. The group was diverse in age, race, gender and geography. It included practitioners, academics, intermediaries and funders. Attendees worked at different types of organizations which varied in size, areas of interest, and approaches. All of the participants were interviewed beforehand to insure they had some degree of expertise – though not necessarily in multigenerational work force issues – and were positioned to make a valuable contribution to the discussion.

Participants met at a retreat center outside of Washington, D.C., starting at dinner and ending the following afternoon. They used a variety of methods – including in-depth introductions and both small and large group discussions – to quickly create group cohesion and work through issues.

The participants' ideas and their nine recommendations coalesced into four main categories, some of which had been part of our original structure for the meeting:

- (Re)Framing the issue
- Organizational structure
- Career narratives
- Salaries and benefits

Ideas and Recommendations

(Re)Framing the Issue – The Multigenerational Work Force

- **(Re)Framing:** At our meeting, we focused on promoting cooperation rather than competition between older and younger employees. The competition frame reflects a linear, age-based assumption of the work/life trajectory. In this scenario, young employees begin in entry-level positions and gradually take on more responsibility and authority until retiring at age 65 at the peak of their careers. Reflecting the new realities, older workers are staying longer in the work force in jobs that fit their lifecycle needs which often are not their peak (highest paying, most authority) positions.³ Younger workers are seeking work where they can make a difference with a willingness to move in order to increase their impact; their work trajectory may not look linear, especially early in their careers. Nonprofits like other sectors will need to retool in ways that accommodate this multigenerational work force, balancing the expectations of those who have spent several decades in the work force with those who are newer either to work or to the nonprofit sector. Figuring out how to cull the creativity of all age groups is part of having a significant social change impact.

Recommendation One: Reframe generational issues in the nonprofit workplace in a way that anticipates the areas of conflict; proposes solutions and new views; emphasizes the assets of all generations; and suggests the new structures and approaches needed to be effective in the four-generation workplace.

Organizational Structure

To derive strength from a generationally diverse work force, organizations will need to modify their operating structures in three areas: decision-making, understanding power and redefining the role of the top executive.

- **Decision making:** In order to take full advantage of the contributions that can be made by those entering the nonprofit

³ “Recession Turns a Graying Office Grayer”, September 3, 2009. *America’s Changing Work Force*. <http://pwerocialtrens.org/pubs/742/amreics=change-workforce.org>

sector – both younger and older – organizations will need to identify decision making structures that draw out the best ideas and competencies from their employees no matter how long their tenure. For example, decision-making methods in many established organizations evolved in an era when the emphasis was on process. Meetings were held to discuss issues and to ask staff members for input on major decisions. Now with technology, there are alternatives to these sometimes cumbersome decision making structures. For example, groups can quickly poll employees on their thoughts about both large and small decisions that affect the organization. In addition, results-based operations allow for different methods of achieving mission-related goals. The emphasis is less on process than on impact. Groups that stick only with more traditional structures may miss out on good ideas and lose valuable staff.

Recommendation Two: Develop different models for how organizations can enhance participatory decision-making. One way to accomplish this may be using tools such as collaborative project technology or internal blogs that encourage workers at all ages to contribute ideas and practices to solve problems and implement programs.

- ***Understanding Power:*** Issues of age are often issues of power with newer and less experienced staff “paying their dues” to older, more experienced staffers in the organization. Older workers in encore careers may feel similarly dismissed when they offer ideas or new approaches. To address issues of power based on age, organizations need to understand how power and decision making currently operate both formally and informally. So for example, groups would use an age lens to examine who has the authority, responsibility and recognition to act independently and to effect change in the organization. Then groups can approach a multigenerational work force through an “assets” perspective. Research on diversification of organizations by race/culture shows it is most effective when a more diverse work force increases results and effectiveness.⁴ Organizations looking to integrate different age cohorts can use this same model, that is, emphasizing the value brought to the organization by different generations.

⁴ Capek, Mary Ellen S. and Mead, Molly. “Effective Philanthropy.” The MIT Press, 2006; Ely, R.J. and Thomas, D.A. “Cultural Diversity at Work: The Moderating Effects of Work Group Perspectives on Diversity.” *Administrative Science Quarterly* 46 (June 2001): 229-273.

Recommendation Three: Identify tools for nonprofits that look at how power is distributed by age and other factors. The tool kit would help groups explore how power is distributed in their organizations – looking at age, race/ethnicity, gender and other factors – and enhance equity in ways that improve operations, decision-making and effectiveness.

- **Role of Executive Director/CEO:** Younger generations working in nonprofits often report their lack of interest in becoming a CEO. They observe those in the top job working long hours; dealing with boards; feeling the constant pressure of raising funds; and often being saddled with administrative tasks.⁵ To attract the best new leaders, it is time to re-examine the role of the top executive, especially in small and mid-sized organizations where the job has grown to become all-consuming. The scope and skills needed to do these jobs well have increased over the past 20 years, with current execs often taking on more and more responsibility. The skills and competencies needed to lead nonprofit organizations are often poorly defined. While there is an interest in new or different ways executives can run organizations or work with boards, few of these methods seem to have been adopted on a large scale.

Recommendation Four: Survey the field for the most promising practices to identify ways to govern – especially for organizations’ top executives, including other paid leaders and boards of directors.

Nonprofit Careers

With older workers seeking new roles in nonprofits, and younger workers trying to make substantial contributions to social change in a variety of sectors, the story of the nonprofit career is shifting. In order to reflect the reality of the length of time and the different ways people will approach their work life, there is a need to develop a new career narrative that includes the trajectory of career advancement and the role of long-term leaders.

- **Career Narrative:** As a result of living longer and healthier, older adults are looking to new social purpose careers later in life, and younger people are planning for a longer and more meaningful work/life trajectory. The traditional career narrative is incompatible

⁵ Kunreuther, Kim and Rodriguez (2008). *Working Across Generations: Defining the Future on Nonprofit Leadership*. Jossey-Bass, San Francisco.

with this reality. In that scenario, a young worker enters the nonprofit sector; works long and hard at a few organizations, advancing to higher positions; and then exits at his or her peak to retire. To accompany and ease the shifts, there needs to be a new career narrative that takes into account a longer work life; the integration of work/personal life; and the different career trajectories vis-à-vis social change.

Recommendation Five: Tap human resources, life coaching and other relevant fields to advance a new narrative of work life for all ages, tackling the new realities different generations are facing and explaining how those situations affect individuals' work/volunteer careers.

- ***Career Advancement:*** Given the size of the vast majority of nonprofit organizations, we should redefine career ladders as career lattices within and sometimes outside of the sector. Nonprofits are often viewed as too small, too busy or too under-resourced to pay attention to leadership training, and there are often few ways to advance internally. One solution is to shift the idea of a career track within one organization to a career track within social sector work, training people and expecting them to move in and out of different groups throughout their work life. In this view, preparation for social change work can take place at any age and is not tied to the individual organization. People can either stay in the sector throughout their career or enter (and exit) at different points, either for career advancement, to make more money, to have a larger impact or other reasons.

Recommendation Six: Examine the viability of developing a nonprofit consortium/professional development network and/or professional nonprofit employee organization that would focus on attracting and retaining a multigenerational work force. Such a network could develop cross-organizational career lattices and offer support services – coaching, for example – that would help employees of all ages and stages with their career trajectories in the sector.

- ***Roles of Long-Term Nonprofit Leaders:*** As long-term leaders and staff members find themselves continuing to work as they age, they receive little help in how to rethink their work. This situation can create an environment where long-timers stay in their current positions because they cannot see other options. Now is the perfect time to consider how the sector can offer long-term employees

options that allow them to continue to contribute their experience, skills and passion for social impact in their own or other organizations without staying in their current jobs. There has been emerging work in this area – such as Jan Masaoka’s *The Departing* and Mark Leach’s *Table for Two*. More research can be done to offer compelling stories that could inspire others about the transition of nonprofit leaders to encore careers.

Recommendation Seven: Identify sector wide practical alternatives for older leaders interested in leaving their positions and who want to continue to work. This may include places that offer hands-on coaching, and encore stories that will help long-term nonprofit leaders imagine encore careers with guidance and resources on how to navigate the transition. Thinking about the next role for long-term leadership should address issues such as how to best use their experience in a different position; ways to build in appropriate salaries; and recognition of the how they can make a contribution.

Salaries and Benefits

In order to recruit and retain talent, there should be a sector wide examination of whether salaries and benefits need to be recalibrated to meet the needs of a multigenerational work force. Older workers, especially those who already receive some sort of retirement funds, may be able to take lower remuneration but have concerns about certain benefits such as health care. Younger workers entering nonprofits with student debt and higher costs of living may be looking for more pay and fewer benefits.

- ***Salaries:*** There already are surveys that report on current nonprofit salaries by region, size and position. Government contracts and other funding sources often limit the flexibility of organizations to pay more. Yet there is not agreement on what salaries would be needed to attract talent to make the sector as effective as possible.

Recommendation Eight: Inventory information, strategies and resources to enable nonprofits to offer the salaries that will attract and retain the multigenerational work force, including: external forces that constrain nonprofit salaries; reasonable pay for those entering the sector, those in leadership and those coming into the sector for encore careers; and strategies and policies to expand resources for salaries.

- **Benefits:** A similar review is needed of nonprofit benefits for a multigenerational work force. Nonprofits were often ahead of the curve in offering attractive benefits even when they could not offer competitive pay. But these benefits may not meet the different needs of workers at different stages and ages. Plus, benefits are on the chopping block in many organizations because of the economic crisis.

Recommendation Nine: Identify specific benefit changes that would be key in attracting, retaining, and leveraging a multigenerational work force such as cafeteria plans for employee choice, sabbaticals, flexibility, professional development, coaching and mutual mentorship.

The recommendations above were reviewed by the participants several weeks after the meeting to capture their ongoing areas of interest and their willingness to continue to contribute. The responses varied and some areas attracted more interest than others. There was enthusiasm about the possibility of re-examining the governance of nonprofits, especially the role of the top executive. There was also significant interest in the area of career advancement, especially the need to rethink career ladders as career lattices through a consortium or network approach. Participants also supported crafting new career narratives for those in or entering the sector.

Conclusion

The *Crossing Generations: Retooling the Nonprofit Workplace* meeting started by looking at the common workplace issues facing those in their encore careers and younger people just entering nonprofit organizations. This discussion led participants to consider how organizations and the sector at large can start to rethink practices to address the reality a multigenerational work force by re-examining assumptions about work and thinking about ways of adjusting the workplace to accommodate the different needs of employees based on age and generation.

Nonprofits have often been a leader in innovative workplace practices, and they are well positioned to do the same now. As the work force changes and we enter a new decade when nonprofit organizations

experience the pressures of a difficult economic climate, the time is right to take advantage of the ideas, experience, know-how and imagination of all those who are poised to contribute. The ideas and recommendations reported here began to consider how these tasks can be done. Progress was made on the first recommendation – to reframe the issue – at the meeting itself. Action has been taken on three others: Civic Ventures is publishing white papers, addressing (1) the roles of long-term nonprofit leaders (recommendation seven) and (2) benefits to attract and retain multigenerational talent (recommendation nine). The Building Movement Project has written an essay about career narratives, to stimulate attention to this challenge (recommendation five).

Next steps in this journey to retool nonprofits depend on further dialogue within the sector and additional activity on the ideas and recommendations surfaced by the participants in the *Crossing Generations* meeting.

Appendix

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Crossing Generations: Retooling the Nonprofit Workplace

Airlie Conference Center, Warrenton, VA

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