

# “If not now, then when?”

**The report of the pilot group of  
NCVO Leadership 20:20**

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# Introduction

## The story so far

In April 2007, NCVO initiated work to support civil society's emerging leaders through the formation of a pilot group called Leadership 20:20. This group met quarterly for two years, receiving input from some of civil society's most prominent leaders, with the aim of finding sustainable ways for emerging leaders to develop their skills and voice in civil society; skills and voice that will lead to strategies that produce results.

The overriding conclusion was that emerging leaders had a contribution to make to debates and discourse about the future of civil society and its leadership, yet few formal channels existed to enable this voice.

One of the group's conclusions was to further develop this work through a Commission on the Future Leadership of Civil Society that will seek to:

- Find out how the leadership of civil society needs to change and what emerging leaders think are the key issues
- Enable emerging leaders to develop their voice in current civil society debates and issues
- Support the skills development and strategic awareness of emerging leaders
- Broaden the networks and peer-learning opportunities available to emerging leaders

The Commission on the Future Leadership of Civil Society was established in Spring 2010. Its Commissioners, nominated and selected for their leadership skills and potential to influence, will guide the ongoing development of the work.

This is the report from the founding group of emerging leaders and is designed to act as the passing of the baton between Leadership 20:20, the pilot group and the new Leadership 20:20 Commission on the Future Leadership of Civil Society.

At the same time NCVO, with the help of Leadership 20:20 group members also ran a series of 'Curry Club' consultations in spring 2010 designed to test out some of the thinking of the pilot group, as well as publicise the search for Commissioners to form the new Commission. This report therefore looks at some of the key findings from these consultations. We hope that whilst this is more a progress report than a final document, it provides a useful insight into some of the issues facing our next generation of civil society leaders.

## Why NCVO believes in Leadership 20:20

This is important because we passionately believe that civil society organisations are able to bring about substantial and lasting changes in society. NCVO's passion and commitment for shaping and supporting the debate on the future of civil society is well known. Our vision is of a society in which people are inspired to make a positive difference to their communities. Our mission is to help create a better, fairer society and our recently produced *Civil Society Framework for Action* offers an opportunity to look at key future issues facing the sector: climate change, financial security, individual and collective well-being and community cohesion.

Good leaders are crucial to making a good society. Some leadership roles may be sidestepped by organisational substitutes and systems, but in general the message is clear: leaders and skilled teams are important. Good leaders can transform organisations and society. And this is also not just about individuals; organisations that act as good leaders are just as vital. Any lack of civil society leadership is a missed opportunity. Our society needs more leaders who are socially focussed, less driven by the profit motive and thinking more about the futures of the next generation in a global context. Within our Governance and Leadership team, the Leadership 20:20 Commission is one way in which we will contribute to nurturing civil society's current and future leaders.

There is a wider political context here too. At the start of the twentieth century there was a shift from the Victorian charitable and voluntarist motive. Consequently, despite the efforts by those such as William Beveridge to reassert the role of voluntary action, welfarist thinking characterised society and the state's response to well-being in the middle of the twentieth century. Many older and larger charities show the impact of this. Though voluntarists had long ago conceded that they could not cope with the scale of social problems, in this environment it was also soon felt that they should not be primarily responsible for social services provision.

Civil society does not have one vision of positive social change and it seems likely that some mix of state and voluntary action will be necessary to achieve social advance. But the agency of civil society in bringing about change is well recognised. As noted by the Commission of Inquiry into the Future of Civil Society in the UK and Ireland: "in the past, civil society has often been ahead of other sectors in warning of new threats – like those from climate change – as well as embracing new opportunities – like those from a wider understanding of human rights".

However, to be effectual, we need civil society to be a hotbed of high-performing organisations. For this to happen, organisations need strong, innovative, proactive and dynamic leadership. Leadership 20:20 wants to help create a civil society that has the leaders it needs to meet not just current but also future challenges and opportunities and achieve its goal of positive change.

The need for investment in leadership development is well recognised. Our research shows that civil society is currently not doing enough to attract, identify and prepare its emerging leaders. Schemes such as ChangeUp and FutureBuilders were founded in response to HM Treasury's 2002 review of the voluntary and community sector, which found a need to support better leadership development and management skills. Recent sector research also confirms views held for a long time anecdotally: that there is a major issue with

the retention of emerging leadership talent in the sector. Part of this has been the lack of training and development budget available to organisations (indeed, around a third of employees in the sector work in organisations where there is no training and development budget).

Yet what is clear is that there is no theory of leadership development which is all encompassing, especially in civil society. The diverse nature of the sector means that there is no single approach that could be advocated for all. However, our research shows that there are clear factors common to all leading individuals and organisations: particular hard and soft skills are prevalent; the contextual knowledge you need to make well-informed strategic decisions is given to those who need it; space is created in which emerging leaders can reflect and review their successes, failures and how they can increase their impact in the future. We want to inspire current emerging leaders to think hard about the impact they are having. As leaders we must always be asking ourselves where we could make the most difference, both as individuals and as organisations. Are we focusing our necessarily constrained efforts where they could make the most impact?

Finally, it is important to note that leaders can be found at all levels of organisations, as well as outside of formal organisations and structures. Leadership is about facilitating change and the actions of others. This could come as much from service users as from a chief executive, as much from a political campaigner as from a junior manager.

NCVO remains committed to supporting Leadership 20:20. We want emerging leaders to develop a strong voice of their own, as well as to help shape our thinking about the future of civil society and its many challenges. Indeed, there has never been a more important time to look to emerging leaders to provide their support, energy, creativity and ideas to help us address the many opportunities and threats facing civil society in the coming months and beyond. If not now, then when?

“We are very pleased to be launching the Leadership 20:20 Commission. It’s long been an ambition of ours to ensure that young and emerging civil society leaders have an opportunity to come together, to talk about the future and to think about leadership issues as they apply across the whole range of organisations – from the largest to the smallest”

Stuart Etherington, Chief Executive, NCVO

# Setting The Scene

## Definitions

Our definitions are as follows:

- **Civil Society** – Civil Society is where people come together to make a positive difference to their lives and the lives of others - for mutual support, to pursue shared interests, to further a cause they care about or simply for fun and friendship. It is where me becomes we. An active and vibrant civil society helps to build connections and generates trust and confidence within and between communities, as well as between individuals. It strengthens democracy by promoting participation, by holding government to account and by creating space for conversations about how the world is and how it could be. The voluntary and community sector (VCS) is a vital and vibrant part of civil society. *Source: <http://www.ncvo-vol.org.uk/about-vision-civil-society-framework-action>*
- **Leadership** – Making change for a cause you believe in.
- **Leaders** – Both individuals and organisations who bring about change, but also those in positions of power and influence. It must be remembered that leaders need not be or do good. This also does not confine leaders to traditional leadership positions. Leaders could as much be the service user who lets an organisation know what they are doing badly and inspires change, as the CEO of an international aid agency.
- **Good Leaders** – Individuals and organisations who bring about the most effective and efficient positive change they could be expected to given the confluence of factors they face. Crucially, we believe that through training and development of their talents, good leaders can be made better.
- **Emerging** – We define emerging leaders as covering a much wider demographic than just current young chief executives of small organisation, or young ‘rising star’ senior managers. Our targeting includes chief executives, senior managers, trustees, chairs, social entrepreneurs and emerging policy thinkers. Emerging does not mean young.

# What is leadership?

We can often recognise those with leadership potential, but defining what makes a great leader and what leadership is poses a much greater challenge. It is not for Leadership 20:20 to outline one particular vision of what may constitute good leadership in civil society. But here are some thoughts from our discussions over the last two years:

- Leadership is all about vision, deciding where you're going and being able to take people with you. Effective leaders have a vision that is articulated in a way that others can not only relate with but also buy into.
- Leaders in some way exercise power and influence and must relate to those who are following in the pursuit of setting or achieving goals.
- There are many different types of leaders, from those who are quiet and seek to lead by example, to those who lead by more forcefully imposing their direction on others.
- Organisations need different leaders at different times. There is a time for the charismatic leader who may drive the organisation through a period of fast growth there is the time for the leader-manager who guides an organisation through a period of consolidation.
- Attribution of success is always a challenge. There may be a tendency to over-emphasise the impact of an individual and even for a leader to over-emphasise their own agency. Many other factors - from context to chance - must be recognised as important.

## Leadership theory falls broadly into four categories:

- **Trait theory** is the 'shopping list' theory in which leaders are seen to be made up of a number of key qualities. At its most basic, trait theory would see leaders as those who are the best as one particular thing: the wisest, the strongest, and the oldest. Trait theories posit commonly held qualities that leaders often possess, such as: inspiration, strategic thinking, forward-looking, honesty, fair-mindedness, communication skills, courage, supportiveness, knowledge. In the words of Warren Bennis, they are those who can express themselves fully. 'They also know what they want, why they want it, and how to communicate what they want to others, in order to gain their co-operation and support.' Lastly, 'they know how to achieve their goals'.
- **Behavioural theories** group leaders by the type of style that they embody, categorising and diagnosing managers by the style which they use. The styles fall broadly into four types: whether leaders are primarily concerned for the task; concerned for people; are directive; or whether they are participative and try to share decision making with others.
- **Contingency theories** look beyond the characteristics of individual leaders to the contexts in which they operate, arguing that leadership changes depending on the situation in which leaders find themselves and placing particular importance on the flexibility of leaders to adapt to different environments. What has emerged is the importance both of particular traits, but also the nature of the situation and whether it allows particular traits to flourish.
- Finally, **transformational theories** group leaders by those that are transactional and those that are transformational. Transactional leaders are those that look to lead their followers by trading action for reward, whilst transformational leaders move beyond immediate needs and inspire action beyond what they would carry out in a transactional context. Transactional leadership is seen as

more short-term focusing on immediate tasks to achieve goals, whilst transformational leadership sets its sights around longer-term purpose and vision.

# What is the current state of leadership development in civil society?

“A strategy needs to be in place... to ensure a new batch of leaders within the sector. Work needs to be done encouraging skilled individuals from both inside and outside the sector into these functions.” “Special attention needs to be paid to leadership within the sector. How we develop our future leaders; how we utilise individuals who have gained skills in other sectors; and how we demonstrate the many ways those skills that make a good leader can be developed”

THIRD SECTOR SKILLS SURVEY 2007

Critical to the assessment of what the Commission can do to nurture better leadership is to work out what is already happening to develop the next generation of leaders. What of the leadership schemes already out there? Many programmes concentrate on fairly experienced leaders (e.g., the Clore Social Leadership Programme, Common Purpose), or are perceived as exclusive (e.g. Rhodes Scholars, Goldman Sachs Global Leaders). We want the Commission to research a “leadership development map” of existing schemes and assess the state of leadership and skills development.

The Bridgespan Group has pointed towards a leadership deficit within the non-profit sector in the United States and highlighted a number of problems that the sector there faces. The deficit comes from such factors as the ageing and retirement of civil society’s previous leaders, the greater size and number of civil society organisations and larger senior management teams, and is hampered by the sector’s lack of expertise in recruiting and training managers and leaders. Demographic challenges are a problem across society, but McKinsey notes that foresighted businesses have been much more successful in engaging in the war for talent. We may find that a number of these issues are also reflected in the UK too.

# What challenges will the next generation of leaders in civil society face?

## Challenges to society in general

Of all the challenges discussed by the pilot group and at the Curry Club consultations, the following were those that were most regularly highlighted, not listed in order or frequency of appearance. Many of these are findings shared by the Commission of Inquiry into the Future of Civil Society in the UK and Ireland. Some present opportunities as well as challenges.

### **Marginalisation of dissent**

Many emerging leaders were particularly worried about the apparent move towards stricter policing of campaigning activities, especially in the climate change sphere. In a world increasingly fearful of threats from terrorism, civil society needs to ensure that it doesn't lose its space to have its dissenting voice heard.

### **Demographic shifts**

An aging population, particularly in a British society that appears to have become more fractured and less oriented along family lines, may present particular challenges and put pressure on provision of services.

### **Increased migration**

Increased migration to the UK due to economic and other reasons will be an increasing feature. A challenge to leaders will be to ensure that society does not become increasingly fragmented along ethnic and religious lines.

### **Diminishing arenas for public deliberation**

One of civil society's key roles in the coming decades will be to continue to support spaces for public deliberation, whether physical or virtual, in which society's differences can be explored. This is in a context in which traditional political engagement has been falling over recent decades. But equally a challenge comes from the professionalisation of charities and perhaps of civil society as a whole, with factors such as health and safety compliance increasing the barriers to entry (perceived and real) for those wanting to make a difference in their communities.

### **Climate change and sustainability**

How civil society will choose to respond to the growing conflict between short-term economic growth and long-term sustainability is probably the greatest challenge facing emerging leaders.

### **Technology**

The onward march of technological transformation presents challenges to civil society in all periods. Emerging leaders will be no different in having to respond to increasingly fast paced change.

**Social media and media ownership**

Media in the UK is becoming heavily commercialised, which presents particular challenges for civil society. New forms of social media also present challenges as well as opportunities.

**Looking beyond material well-being**

A growing challenge is to find different ways of articulating outcomes that are not based on paradigms of economic growth or market delivery and look towards well-being in its broadest sense.

**Growing isolation of the poorest**

There was a strong sense that economic polarization will be an important consideration in the future. The challenge to civil society is to support and empower the most marginalized.

## **Civil Society: The Inconvenient Truths**

In looking to challenge the 'status quo' in a useful and constructive way, the 20:20 pilot group discussed a number of 'inconvenient truths': in essence, these are messages from emerging leaders to the current leadership about the tricky issues that emerging leaders feel they are going to inherit from our current leaders. Again, these are listed not in any particular order:

### **We aren't honest with our donors about the costs of doing business**

Being honest with donors about the costs of administration, back office functions and staffing were seen as areas which posed particular challenges for civil society leaders. This was seen by emerging leaders to be as much of a problem concerning donations from the general public as from grants and trusts. Emerging leaders will need to continue to explore ways in which to improve the dialogue around the full and true costs of services in order to place their organisations on a better footing.

### **Administrative inefficiencies in charities**

There was a general sense amongst emerging leaders that civil society organisations were more administratively inefficient than they could be and greater investment should be made in services that would result in long-term savings.

### **Relationships with the public sector and contracting**

Many emerging leaders felt that civil society's relationship with one of its main funders, Government, was far from ideal and expressed hope that the revised Compact will do something to place the relationship between sector and state on a more equal footing. Contracting too was felt to be an area in which civil society organisations often missed out to private sector operators who provided a cheaper service but at the cost of better quality provision.

### **We're not transparent about what we do, and sometimes this is because we don't measure it well enough**

The culture of contracting is relatively new to civil society organisations, with many now seeking to catch up with the private sector organisations that have been contracting successfully with the Government for many years. However, it was felt that once monitoring and evaluation became a more mainstreamed part of the sector's thinking, this would increase transparency, communication and above all a boldness about the unique values of voluntarism that the state and private sectors are unable to offer.

### **Increased demand for services with more limited financial resources**

What is certain is that at a recessionary time the demand for charities services will increase – an ACEVO and Charities Aid Foundation study found that 72% of charities are experiencing a rise in demand for services. At the same time, the recession is also resulting in lower levels of charitable giving. Beth Breeze of the newly established Centre for Philanthropy, Humanitarianism and Social Justice at the University of Kent, offers advice on what charities can do to shore up their voluntary income from donors. "Charities that communicate honestly with their richest supporters about the challenges they face due to loss of income from other sources, such as investment returns and government grants, may even increase their income from major donors," she suggests. So maybe the lesson we can take from this is that keeping or gaining public trust at a time of recession is about honesty and transparency, and keeping the loyalty of your existing supporters.

## Opportunities for civil society

In no particular order, these opportunities were highlighted:

### **Proving our worth**

As government looks to provide services at lower cost to the taxpayer, there may be new opportunities for charities to prove that they can provide better value than anyone else. This won't be easy, however, in a landscape in which civil society organisations do not always offer services that represent the lowest cost options to contracting providers. Yet we face a landscape where the power of civil society's vision may have particular resonance, and leaders should not fail to take advantage of that.

### **Cutting the fat**

Tougher times will be an opportunity to focus on which organisations are proving most effective. Successful leaders will be those who can articulate their impact and are ruthless in the pursuit of greater success. As Craig Deardon-Phillips has said: "For years we have got away with being the sector of great anecdotes. When asked about the difference we make, we often bang on about our best-ever success or offer improbable statistics that would do a Soviet-era government proud ("our two staff provide services for 267,000 people" and so on). In a tougher climate, those who properly measure and prove impact will thrive while those who bleat that it's all too difficult will sink."<sup>1</sup>

### **Attracting the cream of the crop**

An article by David Ainsworth published in Third Sector magazine stated that "the recession will offer opportunities as well as threats to charities that are prepared to make investments."<sup>1</sup> The possible benefits of the economic downturn include the chance to hire high-calibre staff, snap up cheap property and take advantage of lower advertising rates. But will the sector be scared into freezing recruitment rather than investing in its leaders? Quinton Seeman, a resourcing adviser at Save the Children, said "That's exactly the wrong thing for them to do. This is the time to try to pinch people from the corporate world who have had enough of the rat race." Another danger is the loss of many up-and-coming leaders as recession leads to redundancy in many charities in the sector. There is also a danger that investment in training falls when money dries up. Leaders will need to take foresighted views to bring their organisations out of this period stronger.

### **Doing better, together**

A key trend for the future in civil society will be merger, partnership and alliances. Emerging leaders felt this is a great opportunity, with the potential to make our collective voice louder, to achieve more with fewer resources through sharing services and to magnify our impact through the extension of successful programmes. However, the public could be confused by changes in a charity's strategy or brand, could be concerned by changes to local support, volunteering opportunities or staff redundancies, or may feel that large charities will be less efficient or effective, or see negative media coverage on alliances and mergers.

### **Social Enterprise**

The model of social enterprise is an opportunity for more civil society organisations to develop innovative business models for funding their activities. The Commission will explore its relative merits over the next two years.

# What skills and qualities will leaders need to meet these challenges?

## What is unique about being a leader in civil society?

### **More diffuse power structures**

Civil society leaders operate in a very different set of power structures to their peers in other sectors. A civil society leader, whether paid or unpaid, will likely have to work with volunteers, or understand the needs of those volunteers working in their organisations. Patience, stability, openness to different perspectives and facilitation skills are all much more important here than in the private or public sectors. Leaders will need to be more persuasive and work harder to create shared interests with followers. The leader has little ability to impose their will on followers in civil society in the same way as in other sectors. The skill to facilitate emerges as one of the most important qualities of a civil society leader, whether CEO, project worker or beneficiary.

### **Challenge of defining success**

Civil society organisations often struggle to define their successes. The financial metric of the business world, where money is both your input and output, is absent in civil society organisations. Money remains the input, but is certainly not the output. Great leaders will be able to define success for an organisation, so that successes and failures can constantly be tracked and worked into future strategies.

### **Financial expertise is not intuitive**

Related to the fact that civil society's measure of success is not financial is a perception that civil society is unable to train its staff in good financial management which prepares organisations for sustainability and growth. Good leaders will need some degree of financial literacy as this is unavoidably a driver of an organisation's success.

## Skills and Personal Attributes

To meet challenges and opportunities, as well as to be great leaders, civil society will need to help individuals and organisations to have a number of skills and qualities. We would like to do more research into the mix of skills and qualities that civil society will find valuable, especially on the relative importance of soft versus hard skills. The following have been highlighted as most important from our consultation and research so far:

**Passion for civil society**

Leaders will need to be able to sell the merits of the sector and inspire people around them to be confident that civil society solutions can be effective and efficient. These leaders will have the passion to overcome the stigma of others about civil society solutions.

**Optimism and robustness to setbacks**

Civil society so often deals with issues that can seem intractable. In the environmental sector for example, following failures at Copenhagen to reach a binding and fair, global consensus about how to tackle climate change, there is a sense that more positive leaders are needed who can respond with positive messages about the opportunities to continue to make an impact.

**Belief in developing emerging leaders**

The group believes that great leaders will be those that have a commitment to developing the next generation of emerging talent.

**Ability to work in closer partnership**

Emerging leaders have highlighted that they would like more openness to partnership working within civil society and across other sectors, both to magnify the sector's impact and also to save back office costs. This may mean mergers or acquisitions. As one Commissioner said: "Applied well, mergers and acquisitions will add value to the future of civil society. We should challenge views of some opinion formers and media that all merger must be bad for the sector." An ability to influence and direct these will be critical.

**Courage to make the right choices**

There is often a perception that civil society leaders are soft-headed and not focussed enough. This somewhat stems from an inability to measure success properly. It can be very hard to measure the performance of staff, one against another, when metrics of impact are more loosely defined than in the commercial sector. Yet leaders must endeavour to drop initiatives that are not working well and that are an inefficient use of charitable funds. The courage to focus ruthlessly on successful programmes will lead to growth of a successful brand, bringing cumulative success and greater support from stakeholders and funders.

**Knowledge of other sectors**

Too often the sector can misunderstand the motivations of those who work in other sectors, mistrusting their aims and their potential contributions to change. Emerging leaders from our consultations often said that civil society needs to be open to working with other sectors and look for a blended way in which to address intractable problems. Indeed, it was also often commented that those in the private and state sectors could also be values-driven as well as value-driven.

**Values**

There is a sense that all leaders will embody personal values that their followers would want to emulate. Whatever these values are, their highest expression should justify the means used to reach the intended goal. They should inspire loyalty and respect from others and display socially just behaviour. The self-serving and vindictive leader will not survive for long.

**Accountability and taking responsibility**

Leaders are becoming increasingly accountable to those around them, not only because ways of showing dissatisfaction are increasingly widespread. Leaders of the future should be prepared to be more accountable for the decisions they make and to take responsibility for their actions.

**Cause driven**

The best leaders must be first and foremost driven by the cause that they are working for, the mission of the organisation they work in. Those following will be inspired and enthused by such passion for the cause.

**Commitment to building the right team**

In Jim Collin's words, leaders must always be asking whether they have the right people on the bus and be committed to ensuring that they get people off the bus who are not contributing as much as they could to an organisation's development and progress.

**Humility**

Leaders will often be content with making small, incremental steps towards a larger goal rather than have the hubris to aim for the end point immediately. An ability to recognise weaknesses too and have the humility to surround yourself with those who excel and outshine you in many areas is crucial.

**Great understanding of the context and general fluency**

Current uncertainty requires great understanding of context. Leaders need to be able to sense challenges and take their teams towards them with courage. Being half a step ahead of the game and ahead of your team is essential. Leaders therefore need to have a broad understanding of all areas of their organisations if they are to make the most impact.

# What can civil society do now to ensure we attract, prepare and retain the leaders we will need?

There is much talent already contributing to civil society, but it is our hypothesis that there could be much more. Leadership 20:20's most important challenge is therefore to explore whether civil society is currently able to attract, identify and prepare its future leaders. Our research so far suggests it is currently lagging behind where it could be.

Civil society has a choice though. It can choose not to make an investment. It could rely on the private and public sectors to nurture its talent before recruiting people further down the line. There may be some sense in that; it's the approach that is predominantly taken today. However, emerging leaders in the pilot group and in Curry Club consultation have strongly backed the broadening of recruitment strategies, particularly in favour of trying to attract recent graduates and retain those graduates that, having joined the sector, show leadership potential but are stifled by a lack of opportunities to progress.

A career in civil society is now a viable option and it is civil society's duty to ensure that this is possible and attractive. We believe that there is something unique about being a leader in civil society that needs to be nurtured throughout leaders' lives. It also believes that too much talent enters the private sector with good intentions to enter civil society organisations later on and never does.

## Attracting Talent

Attracting talent to the sector could happen at any point. The government's Youth Matters Green Paper from July 2005 discusses the increased careers guidance that young people should be given whilst at school. There is no reason why civil society opportunities should not be promoted alongside those from other sectors. But the inspiration to work in civil society could equally come later in life; this is not just about young talent. Leaders' journeys of development are ongoing and everlasting. They start at home; carry on through education; during gap years; in community projects and in employment. At all points there are opportunities for civil society to make the case for people to work within the sector. We see this as one of the key challenges facing the Commission.

Yet the sector is clearly already highly attractive later in life: ACEVO have highlighted that 31.2% of the sector's CEOs come from the private sector and over 50% from various public sector categories. Of these, 41.6% were prepared to take a pay cut. Reasons for the switch were mainly 'making a difference' and 'interest in a specific job'. Only 20% of CEOs were therefore recruited internally.

This suggests that civil society does not fill jobs effectively internally – either because it is impossible to get the right skills in the sector, underinvestment in leadership development, or because those recruiting talent refuse to recognise leadership potential from within. Our research has suggested that the perception of trustees is one of the greatest barriers. Anecdotally, the suggestion from emerging leaders is that the makeup of trustee boards predominantly reflects private sector backgrounds. The Commission should do further research to work out how best to get trustees to recognise talent from within and support more emerging leaders to take roles on trustee boards too.

We can also be certain that once other sectors see talent leaving for opportunities in civil society organisations, they will take note. One respondent noted the impact that campaigns against multi-national energy companies were having on their recruitment processes, making it a great deal more challenging to recruit leaders and spurring some move towards more environmentally friendly working practices. This is therefore not just an opportunity to make an impact on our own organisations, but also to influence the working practices of others, as indeed civil society has done in the past, such as pioneering the transformation of the workplace to take into account the equal opportunities agenda.

**Our research and consultation suggests there are three key barriers that emerging leaders face in this area:**

#### **Lack of challenging entry-level placements**

Barriers to recruitment are not just about pay. It is about the perceptions of those who wish to enter the sector about what entry-level placements in the sector look like. Research by Student Hubs has reinforced anecdotal evidence that the perception of entry-level opportunities in the civil society is of low skilled volunteer opportunities and internships. These are not roles that high-quality graduates wish to take on, even if there are opportunities for swift promotion. Similarly there are those who might like to enter the sector from elsewhere but struggle to do so. There are plentiful suggestions that all is not well in the corporate world and that many would like to have a career which fulfilled them on other levels. Yet barriers remain to making the 'switch'. The sector needs to accommodate this passion and ambition that schemes in the private and public sectors do so well. Current leaders who have risen through the civil society's ranks should not fall back on the maxim: "that's what I had to do, so why should it be any different for the next generation?". Pay is undoubtedly a factor dissuading graduates from entering the sector, especially now that university students face higher and higher levels of student debt. We believe that though volunteers are important to civil society, sole reliance on them at entry-level positions is damaging. It is often said that charities do not need to pay recent graduates because they have so many applicants for places. The group would return the question: "Do thousands of applicants for private sector roles lead companies to offer only internships and voluntary roles?"

#### **Lack of career progression**

Too many leaders appear to come from outside of civil society and campaigns may be needed to encourage staff and trustees to look within their organisations for emerging talent. Leaders in other sectors will also

need to be inspired that civil society organisations provide challenging opportunities. Providing succession opportunities for service users and beneficiaries is a related challenge here.

### **Lack of recognition amongst peers**

Our research and consultation suggests that a final significant barrier to a career in civil society is that it is not seen as a worthwhile career amongst peers. We would hope this changes as careers in the sector become more common.

## **Identifying Talent**

There was a sense around the consultation that civil society finds it hard to identify real talent, too often promoting those who show potential earliest on, or are the most charismatic, or the best networkers. How then can civil society spot talent on the horizon and help that talent grow? Recruiting on the basis of potential, not experience was seen as most important, a sure sign that job adverts saying “X years of experience necessary” shouldn’t be a panacea. Hardest of all is to promote emerging talent above that which has reached a ceiling in development.

There has also been a sense amongst the group that civil society will also need to reach out to new communities through new channels if it is to produce such a step change. Perhaps the sector needs more talent scouts and head-hunters that can look across organisations and identify talent early on.

## **Preparing Leadership Talent**

Over the next two years the Commission will be looking for schemes that are already models of good practice in emerging leadership development. If such schemes are lacking, we shall design them. As a guide, we see the process of leadership development falling under four strategic areas:

- Inspiration – future leaders need to be inspired to have a vision, both about the opportunities to create change in civil society and also what that change could look like.
- Information – future leaders need to be trained and educated so that they have the appropriate skill sets to tackle issues in the right ways.
- Connect – future leaders need appropriate networks to share ideas and find support, within civil society and across sectors.
- Support – future leaders need the backup to achieve the goals they set.

Underpinning all of these processes, we think that the most important success factor in leadership development is the opportunity for reflection amongst peers. Civil society leaders are currently given too little space for critical reflection and review. Development will also need to be personal to individual

strengths and weaknesses. From our consultation and research, leadership development methods that were considered most effective include:

- Formal mentoring or buddying
- Project Management
- 360 degree feedback

**Specific barriers in this area included:**

**Poor training opportunities**

The major barrier to better preparation of emerging leaders was found to be that there are too few opportunities for leaders to develop their skills and expertise, with too little of organisational budgets devoted to training. This is not only a challenge for civil society. The Chartered Management Institute's research highlighted that half of employers thought that a low priority was given to leadership development and an almost equal number said there was no specific budget for training and developing potential leaders.

**Lack of credibility of ideas with existing leaders**

Emerging leaders throughout our consultations felt that a significant barrier to leadership development was a perception that the views of emerging leaders were perhaps not valid, not schooled in years of experience of civil society's problems and therefore there was limited reason to develop talent. In part, this stems from a lack of appetite for risk taking in civil society organisations, but any hope to better develop emerging leadership will certainly need to overcome any perception that emerging views are not worthy contributions.

**Lack of networking opportunities with other emerging leaders**

With small organisations and therefore a lack of internal leadership development schemes, there are few opportunities in the sector for emerging leaders to meet their peers. Emerging leaders particularly focussed on the benefits that would come from increased opportunities to network with other emerging leaders who faced similar challenges and dilemmas.

# Recommendations from the Leadership 20:20 pilot group for consideration by the Commission in its future consultations

The work of the Commission is just beginning, but there are a number of lessons that the outgoing Leadership 20:20 pilot group have learned that we would like to share with the new Commissioners as we 'pass on the baton'. The Commission may decide to test these ideas further, adopt them wholeheartedly, or ditch them altogether. Therefore, this does not constitute a set of final recommendations, but a set of ideas that have been recurring themes, which we know are sound but that we also know need further development and scrutiny.

## Government, Funders and Organisations should...

### Support a leadership scheme for graduates

It is encouraging to see that schemes such as On Purpose and Charity Works have launched and are gaining support. Yet these remain fledgling compared to similar schemes in other sectors, for example those in the private sector, Teach First and the Civil Service's Faststream. Civil society, though now more professional than it once was, is therefore not recruiting the leaders it needs to match its greater ambitions. It is missing out on attracting significant numbers of future leaders because it is an unattractive prospect for career development, largely a product of its scale, diversity and financial resources. A well-resourced scheme that worked across the sector could overcome some of these challenges. It would need to: get commitment and belief from key stakeholders when the impact was initially unclear; find adequate and sustainable funding; and establish a strong brand. But it would not struggle to recruit people. More paid opportunities would promote equal access, expand the career options to high-calibre graduates and provide useful on the job training, which would ultimately lead to greater commitment and enthusiasm for civil society from the next generation of leaders. NCVO's research report *Third Sector, First Choice* gives more thought to the possibilities for a graduate scheme for civil society.

### Support leaders

Funders need to have faith in leaders. Great leaders create great organisations, which deliver great programmes. Funders should have faith that great leaders will deliver results for society. Do not just seek to support what seem to be great programmes; also support those programmes that are well led, and don't be afraid to back individuals who have already proven that they can deliver results, giving them the freedom to innovate.

### Ring-fence training budgets and do not shy away from those 'core' costs

One memorable story was told to the 20:20 group where the incoming Chief Executive of an organisation said he would only take the offered job if two percent of the organisation's resources were committed to staff development and training. Great leadership is shown through a commitment to invest in your team's development and being forward thinking enough to know that it will pay off in the long-term. It undoubtedly will.

## Current leaders should...

### **Mentor and engage with emerging leaders**

One of the most valuable products of 20:20 has been the engagement of civil society's most successful leaders with those who are just emerging. Existing leaders have often commented how this is something they have learned from too, and we would encourage civil society's leaders to spend more time developing their networks to include those who are emerging as future leaders. They will be the future leaders of your organisation, so if you are keen to secure long-term sustainability, start scouting for talent now.

## Emerging leaders should...

### **Get a mentor**

This is something that has consistently emerged at Leadership 20:20 meetings. In a year in which there may be much change that emerging leaders are unused to, having conversations with those who have faced similar challenges in the past will perhaps be more important than ever.

### **Recognize the importance of open dialogue**

If 2010 is a year in which tough decisions need to be made then leaders will need to create space to have constructive conversations with their teams, with partners, with politicians and with each other.

### **Face up to mergers and partnership**

Civil society seems to have an instinctive aversion to mergers and close-partnership working, but if costs are to be saved and cuts are to be avoided at the front-line then there may be a need to do more in terms of rationalising back office and support functions. Emerging leaders have consistently encouraged each other to face up to this 'inconvenient truth' in the sector. If sensitively managed, mergers or acquisitions can create real impact and will not detract from the success and unique values of existing organisations.

### **Look with the longest time horizon you can**

Budget cuts will lead to activities needing to be sidelined and mothballed until a time when they can be restarted. Making these cuts in the most effective way and ensuring investments of the past are not wasted will be a sign of foresighted leadership. So try to draw up a long-term strategy for dealing with the changes you face. Short-term survival may be difficult but do not let this destroy the long-term vision.

### **Know yourself, be yourself, look after yourself**

Being a leader can be a lonely existence. It is important to take time out to reflect and to deal with personal issues as well as make sure you are spending time on your own development. One of the key things 20:20 will be looking to do in the coming years is to promote more opportunities for emerging leaders to have space for the reflection needed for their personal and professional development.

# Next Steps

Over the next two years the group of Commissioners with support from NCVO will undertake a range of consultations to develop the work of Leadership 20:20 and produce a final report championing recommendations.

Our key questions remain the same, but we would like to explore them in more depth:

- What challenges and opportunities will the next generation of civil society leaders face?
- What skills and qualities will civil society leaders need in future?
- How can civil society identify, prepare and attract its leaders of the future?

## Further Consultation

Over the next year the Commission will hold more consultation events around the findings of this report in the form of 'Curry Clubs', Commissioner meetings, 1-2-1 consultations with key sector figures, online consultations and events aimed at widening our reach and appeal and workshop sessions held at existing events. We would also welcome hearing from you or your organization if you would like to discuss the progress we have made so far as well as contribute to our future work.

## Change

Recommendations of the Commission will then be promoted through campaigns that focus the sector's attention on some of its inconvenient truths and we will seek to influence a paradigm-shift towards better processes of leadership development. It will develop partnerships with organisations that can support the implementation of each of the recommendations. We want this to be a manifesto for change, but we also want to ensure practical impact: the world does not need another report to sit on the shelves of the great and the good!

## Networks of emerging leaders

Our ambition is for the Leadership 20:20 Commission to develop as a network for civil society's emerging leaders to share ideas, share information and learn from each other and existing leaders. The Commission and core network of its commissioners is merely the starting point on this journey. We have already begun to develop networks of emerging leaders in regions through the 'Curry Club' format that we created to shape this report. We hope to develop these groups further so that they can become autonomous, self-sustaining forums for peer learning and leadership development for emerging leaders.

# Further Resources

## Further Reading

### Civil society leadership advice

Collins, J, *Good to Great and the Social Sectors*, London

Cotter, J, *Leading Change*, Harvard

### Scenarios and challenges for civil society:

NCVO: *Future Focus* Series. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

Carnegie UK Trust: *Making Good Society*. [www.carnegieuktrust.org.uk](http://www.carnegieuktrust.org.uk)

### Strategic Planning in changing times

NCVO: *Surviving in a Changing Environment*. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

Performance Hub: *Adventures in Strategy* Series. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

### Careers Guidance

NCVO: Working for a Better World. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

NCVO: *Third Sector, First Choice, Exploring the viability of a new scheme to attract graduates to the voluntary and community sector as the first stage in building their career*. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

Performance Hub: *Bright Futures, Positive Influence, Creating a successful work experience placement in the third sector*. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

### Mergers and Partnerships:

New Philanthropy Capital: *What place for mergers between charities?* [www.philanthropycapital.org](http://www.philanthropycapital.org)

Charity Commission: *Making mergers work: Helping you succeed*. [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

## **Keep in touch with the work of the group**

To be kept up to date with information and developments from the group sign up to NCVO's Governance and Leadership Services newsletter, and choose 'Emerging Leader'. Email the whole group via NCVO at [leadership2020@ncvo-vol.org.uk](mailto:leadership2020@ncvo-vol.org.uk)

## **Facebook**

Find us on Facebook: search for "NCVO Leadership 2020".

## **YouTube Resources**

Videos from recent Curry Clubs and past Leadership 20:20 events can be found on NCVO's YouTube page: <http://www.youtube.com/user/NCVOonline>

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