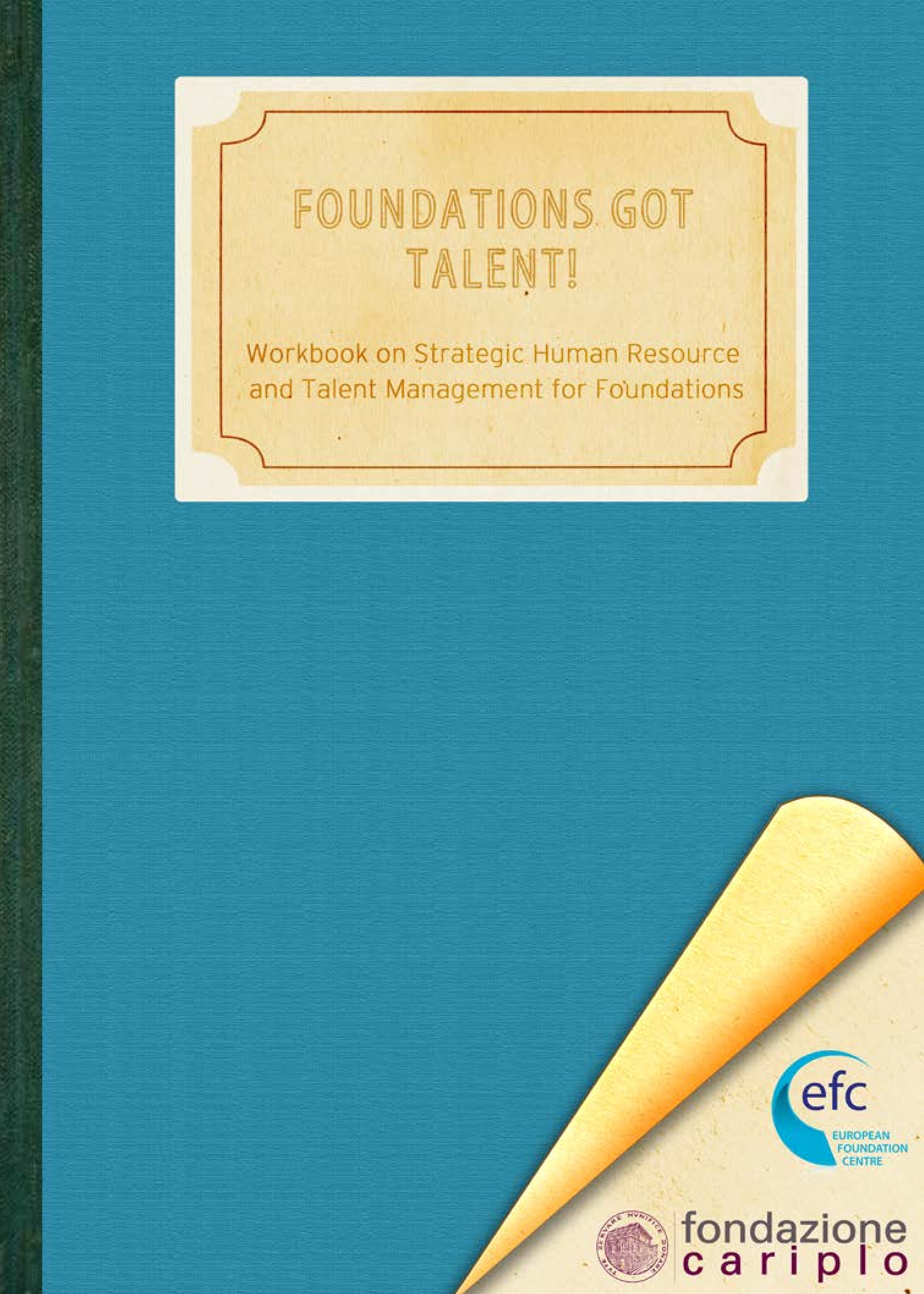


FOUNDATIONS GOT TALENT!

Workbook on Strategic Human Resource and Talent Management for Foundations

efc
EUROPEAN FOUNDATION CENTRE

fondazione
cariplo

Dedicated to Pier Mario Vello, an inspirational leader and the creator of the European Learning Lab, which was born from his belief that staff perform best when they feel motivated, encouraged and supported.

About this publication

The EFC's 2014 European Learning Lab built on the findings and learnings of several meetings and workshops: The 2013 "Tiepolo Knowledge Sharing Meeting" of foundation human resource professionals organised by the EFC and Fondazione Cariplo; the 2013 meeting on "Talent Management for Innovative and Impactful Philanthropy in the 21st Century", organised by the Rockefeller Foundation, in partnership with the Council on Foundations; and a 2014 workshop organised by the Rockefeller Foundation and a number of partners at the 2014 WINGS Forum.

Information in this publication is based on learnings from these meetings as well as the class discussions, lessons, presentations and group- and homework assignments from the 2014 European Learning Lab held in Milan, kindly hosted by Fondazione Cariplo.

This publication was made possible thanks to the generous support and guidance of the Adessium Foundation.

Copyright © European Foundation Centre (EFC) 2015.

All rights reserved. Reproduction by any means mechanical or electronic is prohibited without express written consent of the publisher. Quotation from this publication is authorised subject to full identification of source. Every effort has been made to ensure the quality of information in this document. However, the EFC cannot guarantee the accuracy and completeness of information published in this document. The EFC is not responsible for consequences resulting from use of information provided in this document. The EFC expressly disclaims all liability for, damages of any kind arising out of use of, reference to, reliance on, or performance of the information given in this document.

For additional copies of this publication and further information on the EFC and its activities, please contact: efc@efc.be

European Foundation Centre, AISBL

Philanthropy House | Rue Royale 94 | 1000 Brussels, Belgium | +32.2.512.8938
efc@efc.be | www.efc.be | www.philanthropyhouse.eu

Contents

How to Use This Workbook 6

People Management in European Foundations 7

- Getting started 7
- The European Learning Lab – Strengthening strategic people management practices 8

A Strategic Human Resource and Talent Management Framework 9

- A foundation's greatest asset – Its people 9
- Trends in people management in Europe 9

Four Basic HR Practices 12

- Attract 12
- Engage 16
- Develop 18
- Retain 20

Leadership and Strategic HR Management 21

- Strategic HR management and leadership 21
- Shaping organisational culture 25

Tools 30

- Appreciative Inquiry, customised for foundations 30
- Building resilience 32
- Strength-based performance appraisal 33
- Creating a compelling story for HR 35

Case Studies 36

Mozaik Foundation – Changing operational models to meet HR needs 36

Wellcome Trust – What worked for us 38

European Cultural Foundation – Collaborative planning processes 40

King Baudouin Foundation – Compensation and reward management 42

"la Caixa" Banking Foundation – On human resources retention 44

Continuous Learning and Bibliography 46

Contributors and 2014 Learning Lab Participants 49

Notes to the Text 50

Learning Lab Hosts 51

How to Use This Workbook

Although large foundations may have established and "professional" HR functions, the integrated approach used in a lot of foundations often means that there may not be an "HR specialist" on staff. Therefore, this workbook seeks to avoid using HR jargon, for instance the terms "people management", "people practices" and "Strategic Human Resource and Talent Management (SHR&TM)" are used interchangeably. The workbook is relevant to both HR specialists and to all those who have an interest in the way people performance can be maximised in support of their foundation's performance.

This workbook provides:

- A basic framework for strategic people practices: What it is and why it's important
- A tool to help you identify which people management activities are working well and build on your achievements to increase the contribution people make to the organisation as a whole - this will also help you envisage what else you can do to support the transition process for a foundation that needs to change and develop
- Ideas on how to put people management and HR strategies into practice within a foundation ("what works for us")
- Some proven insights for a better understanding of the dynamic process of human and organisational development and the role of leadership

Benefits of using this workbook for you:

- Review the way people management can add value to the foundation, both now and in the future
- Identify internal factors and opportunities for HR to further support and manage organisational performance

For your organisation:

- Establish a framework for supporting organisational transition and development through effective people management activities
- Ensure clarity about the people management issues that affect your organisation's performance
- Develop sustainable yet flexible people management practices appropriate to a foundation

Appreciative Inquiry

In this workbook we adopt an approach known as Appreciative Inquiry (see the Tools chapter for more on AI) which involves:

- Discovering and appreciating the best of what is already happening
- Envisaging "what could be" and working with others to construct "what should be"
- Planning to sustain "what will be"

Enjoy your reading!

People Management in European Foundations

This chapter gives you a snapshot of some issues involved in HR and people management related specifically to foundations. It also captures some learnings from workshops on this topic.

Getting started

Financial resources are usually considered to be at the core of a foundation, and the fiduciary responsibilities entrusted to the foundation governors are what drives the organisation to manage these financial assets well and to apply their proceeds for public benefit. Nevertheless, this process is not carried out by machines, it is done by people.

People have a direct impact on a foundation's performance. It's the combined talent and competence of trustees, board and family members, volunteers and staff that makes the financial resources fulfil the foundation's mission. One of the greatest challenges for foundations working to create social change is how to connect a big picture idea or overarching theme with daily work and management, while keeping staff motivated, qualified and energised. As foundations are operating in a rapidly changing environment, questions arise regarding the way they lead their human resources. Are these human resources always managed as carefully and diligently as their financial assets? As foundations strive to lead their projects towards success, do they also always lead the people in charge of them towards the same result? Are people management activities reviewed regularly to ensure the organisation is ready for new challenges and opportunities? Addressing these questions puts people at the very heart of the foundation's strategy.

The most effective foundations treat their human resources with the same care and consideration they devote to their financial ones. "Up to now I think I've come across only a few foundations that have HR sitting at the table with the other leaders of the foundation, and being equal," said Pier Mario Vello (1950-2014), Secretary General of Fondazione Cariplo from 2006-2014. "That's the big difference. You don't need to be a multimillion-dollar foundation with a robust HR department in order to join that group, either. Instead, it's about communicating the fact that everyone is responsible for the management of the foundation's human capital. The minute you step into any position of leadership or authority – if you have any people reporting to you – you're an HR manager."

Over the last few years foundations in Europe have increasingly become aware that it is people that make great foundations. In June 2013, using experiences from the EFC- Fondazione Cariplo foundation staff exchange programme called Tiepolo as a launching point for discussions, a small group of foundation human resource professionals were invited to join the "Tiepolo Knowledge Sharing Meeting". Reflecting on their own work, they identified specific challenges HR professionals face, as well as areas where they saw room for improvement. Their main conclusion was that it is time for the European foundation sector to shift their thinking on HR. There is an urgent need in the sector to create a compelling vision for human resource management: What it is all about and why it is so important for foundations. They had seen too many examples of HR professionals being used only in a control function, rather than an enabling and strategic function, and too many foundations with little or no strategic people practices, and felt it was time for a major change.

Some months later, in October 2013, the Rockefeller Foundation, in partnership with the Council on Foundations, convened a "Talent Management for Innovative and Impactful Philanthropy in the 21st Century" conference in Bellagio, bringing together 20 foundations from 16 countries to explore human resource practice within philanthropy around the world. Building on the great success of this event, the human resources team at Rockefeller, working closely with a number of partners, convened a workshop at the 2014 WINGS Forum, held in Istanbul.

The EFC's 2014 European Learning Lab built on the findings and learnings of these meetings and workshops, and some information in this publication stems from these gatherings.

The European Learning Lab – Strengthening strategic people management practices

The EFC's 2014 European Learning Lab explored people management practices in foundations across Europe. During the Learning Lab participants from foundations across Europe assessed and positioned their own strategic HR policies and explored how they could contribute in a concrete way towards creating a working environment that challenges and inspires people to give their very best. To share the accumulated insights, knowledge, practical examples and tools on strategic people management practices within foundations, the EFC has taken the initiative to develop a workbook on Strategic Human Resource and Talent Management (SHR & TM).

The workbook SHR&TM is offered by the 2014 European Learning Lab class as a highly practical tool for foundations to develop and/or strengthen their SHR&TM strategy. The information contained in the workbook is based on class discussions, shared good practices, group- and homework assignments and the latest theoretical insights, and can be used by foundations as a companion or initial point of reference when managing the people side of the foundation.

European Learning Lab 2014 - Questions explored

- How do foundations (re)define and decide what competencies are needed?
- How can they recruit and develop the talent that fits their needs and strategy?
- How do they motivate, support, reward and retain their staff? Prevent burnout?
- What can foundations do to create and maintain a working environment that challenges and inspires people to give their very best?
- How can they create opportunities and incentives for staff to innovate and explore, especially when foundations are often small and flat organisations with little space for career development?

A Strategic Human Resource & Talent Management Framework

In this chapter we provide the building blocks for your Strategic Human Resource (SHR) and Talent management (TM) policy.

It starts with recounting the many assets of your foundation and then discusses the influence of evolving SHR & TM trends in Europe which affect the way you treat your most important asset: Your people.

A foundation's greatest asset - Its people

A foundation has the benefit of many assets that it can rely upon to make a difference and have impact in the world. In the majority of organisations, people are recognised as the biggest asset. Their knowledge, skills and abilities must be deployed to the maximum effect for the organisation to create value. Strong, engaged and empowered people make strong foundations.

It's important that a foundation effectively places its people within the constellation of its other assets, which include:

1. The foundation's purpose and values: Your foundation's purpose articulates why you do what you do, why you exist. A strong sense of purpose is highly motivational for a foundation's human resources and serves as a guide and helps you determine the core values and beliefs that will reinforce this purpose.
2. The foundation's mission and vision: The mission drives a foundation every day to fulfil its purpose. A vision defines what an organisation wishes to be like, or the world it would like to see, in some years' time. A strong vision functions as the foundation's "north star" - it is that long-term picture that all employees work toward every day.
3. Business practices: These are the rules, processes, methods and procedures that an organisation follows to pursue its objectives. Strong business practices help a foundation to effectively achieve its purpose, mission and vision.
4. Last but not least, financial resources: A healthy and diverse financial base creates the financial stability foundations need to fulfil their purpose.

Trends in people management in Europe

Over the past several decades there has been an interesting evolution in some countries, including the UK, regarding how organisations view employees. A growing sense of the importance of human factors led in the latter half of the past century to the development of Human Resource Management (HRM) as an explicit discipline. After the introduction of the term HRM in 1965, Human Resource Management actually started to come of age in the 1980s. Arriving in Europe from the US, the term "human resources" is an interesting one: It seemed to suggest that employees were an asset or resource like machines, but at the same time HR also appeared to emphasise employee commitment and motivation.

The term "talent management" was coined later, in 1997 by McKinsey as part of its research identifying talent management as a critical business challenge. Many organisations at that time were seen to be putting tremendous effort into attracting employees, but spending little time retaining and developing talent. Talent management implies that organisations are strategic and deliberate in how they source, attract, select, train, develop, retain, promote, and move employees through the organisation. The line of thought is that it cannot be left solely to the HR department to attract and retain employees, but rather must be practiced at all levels of the organisation. The concept of talent management has in recent years evolved into a common and essential management practice and what was once solely associated with recruitment now covers a multitude of areas including organisational capability, individual development, performance enhancement, workforce planning and succession planning.

The third trend is the focus on HRM as a "strategic" function. Over the years a significant shift has taken place in the focus of HR. There has been a move away from a primary focus on supporting line managers and helping them manage people well to one ensuring that the organisation has the sustainable capability it needs to deliver its aims both today and in the future. The more that organisations become knowledge-, service- or hi-tech oriented, the more human behaviour becomes a competitive factor. Employing highly skilled, professional staff with pronounced expectations of the work environment necessitates a job structure with challenge and responsibility. In order to cope with rapid change, intense competition, and pressure for increased efficiency, HRM concerns and concepts must be integrated into the overall strategic planning of the organisation. Strategic HRM can encompass a number of individual HR strategies, for example: to deliver fair and equitable reward, to improve employee performance, and to streamline organisational structure. In themselves these strategies are not strategic HRM. Rather, strategic HRM is the overall framework that determines the shape and delivery of the individual strategies, systematically linking people with organisations by integrating HRM strategies into organisational strategies.

Nowadays, (US-based) theories of SHRM & TM have been fully accepted worldwide as a standard management discipline in medium-sized and large organisations, distinctive differences between European countries exist.[1] Countries in Europe still are at different stages of HRM development: For example the concept of "flexicurity", promoted by the EU in Brussels, works well in Denmark, but not in Germany. Organisations in Europe face different sociocultural traditions, legislative frameworks, and institutional contexts. While it is perfectly normal for the US to have the same HR system in Boston and San Diego, in Europe the differences between two countries can be extreme. The consequence of all this is the difficulty for multinational organisations to work with homogeneous HR strategies within Europe.

Five characteristic features of European HRM in comparison with HRM in the US are:[2]

1. European HR departments are more restricted in their autonomy
2. European HRM has traditionally been less exposed to market processes
3. European approaches to HRM focus more on groups than on individuals
4. Social partners like trade unions or employee representatives have a larger influence in Europe than in the US
5. Labour market politics are more regulated

People management practices continue to evolve. The history of HR in Europe and elsewhere shows that it has had to change its priorities and focus its activities by reinventing itself continuously. This has been largely in response to external socio-economic factors beyond the immediate control of HR practitioners or senior managers. At the same time there is evidence of a worldwide convergence in some HRM practices and policies implemented to enhance performance. These global trends are:

- Higher employee empowerment and the promotion of a diverse and egalitarian culture
- Decentralisation of responsibility
- A trend towards higher stakeholder orientation, which can provoke a greater sharing of risks and rewards
- Flexibility with regard to job assignments and decisions
- A greater involvement of employees due to ameliorated communication structures and sharing of the organisation's purpose with all the employees.

Some experts[3] say that the future of HR lies in treating each employee as a "workforce of one". They argue that, as changing demographics have made workforces more diverse (in terms of age, gender and ethnicity, as well as life aspirations, cultural norms and core values) and jobs are becoming increasingly difficult to standardise (due to the rise of more complex knowledge work) and organisations

PROVOCATIONS

- In your foundation, what are the main external contexts that affect HR strategy and practice? How does your foundation attempt to manage these contexts? Is this effective or not?
- How do trends in international HRM impact your organisation and its HR policies and practices?
- How is the HR function in your foundation structured? Is there a role for a person skilled in human resource management? How could delivery of HR be improved in your foundation?

are struggling to find enough qualified workers, today's generic, one-size-fits-all people practices soon will be obsolete—if not detrimental to an organisation's bottom line. People are complex and unique individuals who need support and nurturing to be at their best in the workplace. In the future, organisations will need to tailor the work experience to employees' needs, talents and interests. In their view this makes good sense: When employees get rewarded in ways they personally value, they will likely feel more motivated to excel at their job.

When they can learn through approaches that suit their own learning styles, they build skills. And when they're able to work in ways that meet their personal and job needs (for instance, they're given space to concentrate or tools to collaborate), they become more productive.

Four Basic HR Practices

In this chapter we will explore four basic HR practices to see how they can help you to develop a fitting SHR & TM policy and practice that provide you with the best people assets possible.

These four basic elements are:

1. Attract: Finding, hiring, and onboarding talented individuals is critical to your foundation's success.
2. Engage: An engaged workforce encourages commitment, energy and productivity from all those involved to help improve your foundation's performance.
3. Develop: Shaping the future direction of your employees' careers while building the skills the foundation needs.
4. Retain: Maximise the time and contributions people make to ensure your foundation's long-term health and success.

Attract

Strange as it may seem, organisations nowadays continue to be faced with an employment paradox that shows that the war for talent continues unabated. Despite relatively high unemployment levels, employers in a number of sectors are struggling to find enough skilled and experienced individuals to fill the posts available. These four tips can help you attract great people for your foundation:

1. Understand the changing working culture in Europe and position yourself accordingly
2. Be proactive in finding the best people: Create a talent-pipeline
3. Define clear requirements for technical fit.
4. Assess the organisational fit

Understanding the changing working culture in Europe

Tomorrow's working world will clearly be different from today's. Contributing factors – apart from qualitative ones such as the new values, needs and attitudes of Western Europeans – also include changed framework conditions. The labour markets of the next decades will be characterised by demographic change and globalisation.

Several studies[4] show that the demographic development in Europe will lead to a scarcity of qualified staff, which will in turn tend towards new balances of power. An employee market is developing in which top talent in particular will become scarce.

- There is a trend towards more flexible working patterns - both in terms of the offer by organisations and in relation to the needs of workers. There is less emphasis on material status symbols and more emphasis on things like liberty, autonomy, and creativity.
- More and more people are attracted by the "entrepreneur of life" concept, actively controlling one's own work biography and assuming personal responsibility. Many employees are not put off by a future without a traditional full-time job, and even relish the thought. The underlying attraction is freedom and individuality. Scope for one's own career, navigating by one's strengths and talents, an individually compiled "working puzzle" and adapting the workload to the situations in one's personal life are developed into one's personal pillars of meaning in life.
- Yet another feature of these workers of tomorrow: They are well equipped for the labour market and during their school and further education more experienced than older generations of workers. They are therefore self-conscious, and that also applies to choosing and changing employers. They want to know exactly what advantages and possible disadvantages employers come with. For organisations, this means they have to convince candidates with benefits like flexible working hours, individual options for further training and education, etc. In short, they need to be an attractive employer.
- In the future many employees do not emerge from the "official labour market". The key to success lies in building and maintaining good contacts through internship programmes, networks of graduates and social networks. Also within the organisation itself it is increasingly important to pay attention to the individual needs of employees. After all, they no longer feel connected to the organisation by default or career incentives aimed at the majority of the staff. In addition, these new generations have less patience and are less loyal - they move quickly to another employer.
- In the future, employees will be entrusted with more responsibilities across all levels of qualification.

Entrepreneurship, independence and the determination for further personal development are increasingly part of the typical job description.

- The driving forces of this development are new forms of training and continuing education promoting personal responsibility and self-guided learning as well as a multitude of offers for coaching and counselling in support of and to strengthen self-reflection, goal orientation and realisation ability. The younger generation is especially encouraged from an early age to develop its unique abilities.
- New lifestyles will increasingly develop against this backdrop – be they the "CommuniTeens" growing up digitally and networked and keen to be addressed as such, the "In Betweens" for whom the most natural thing in the world is to change lifestyle and work, the "Young Globalists", highly sought after and successful talents with an international presence, who derive their identity from their work and career, the "Latte Macchiato" families, the urban sustainability fans seeking new role models for a complementary family and working life, the "Grey Hoppers", which also remain active after retirement or the "Silverpreneurs" who start new careers as they age.

The primary challenge for foundations is to understand the changing working culture and to position themselves accordingly. Are you a foundation with a high number of "Knowledge Workers" – where the technical qualification is of primary importance – or is a culture of "Flexible Work" already emerging in your foundation – where self-responsibility, individual career paths, a new way of leadership and maximum flexibility and adaptability are a way of life? To survive in the labour markets of the future, foundations should critically inspect their own HR processes in the light of such a cultural analysis – from recruiting to retention. This especially applies in view of the increasing digitalisation of communication and the new modes of interaction in social media. Appropriately addressing your target audience is the only guarantee that finding suitable employees for your foundation will not become a future bottleneck.

Create a "talent pipeline"

Traditionally, employers wait until a position needs to be filled before thinking about potential new talent. But an over-focus on today's needs is not true talent management: it's talent tunnel vision! A more strategic and proactive approach is to think about developing a "talent pipeline". This means constantly being on the lookout for "high potential staff", people who you think would be a great fit for your organisation. Creating a talent pipeline begins by crafting a skills and qualifications profile for a given role and identifying people who might be strong candidates for the position – from within the foundation and from outside.

Adopting a forward-looking talent management plan can enable more planned hiring. Careful thought needs to be given not just to the skills the foundation needs now, but what will be required to meet longer-term organisational objectives – for example, hiring someone who has the skills you need currently, but also the potential to grow with the foundation, developing into new roles that are likely to emerge.

Having a talent pipeline ensures that roles will not go unfilled for long periods and/or that people are not promoted before they are ready. It can also help you address any diversity issues your foundation has.

Define requirements for the technical fit

Hiring the right people for the right role will help your foundation flourish. Effectively developed, employee job descriptions are communication tools that are significant in your organisation's success. Poorly written employee job descriptions, on the other hand, add to workplace confusion, hurt communication, and make people feel as if they don't know what is expected from them.

The kind of roles you'll be recruiting for and the skills and capabilities the foundation needs are likely to change as the organisation develops. For example, in the early days you want people who can take a leadership role to get on and get the job done, but who also have specific skills to manage a certain part of the foundation. With operational growth, you're likely to want to hire a notable number of staff. And later you might reach a point when there's a need to professionalise each function, such as appointing or hiring an experienced finance or programme director.

Assess the organisational fit

Hiring the right people isn't just about hiring the people who have the technical abilities you need; it's about finding those people who will enable your foundation to succeed. Much research has found that hiring for attitude and values is essential, particularly in a small foundation where one person can have a significant impact on the culture.

No matter what role you are hiring for, two essential questions you need to think about are:

1. Does this person share our organisational values? If not, will they be able to adjust to them? If employees identify with your values, feel they fit in with your culture and are passionate about achieving your purpose, they will feel more engaged and motivated, benefitting the foundation's performance.
2. Can I see this person growing with our organisation? People with the desire to learn and who are flexible to try new things will be the ones who help your foundation remain agile and innovative.

Hiring and managing for organisational fit should not be mistaken with hiring for homogeneity – research shows that doing so could actually be harming your foundation's future prospects. Although similarity among individuals facilitates understanding, too much similarity decreases the diversity in ideas and processes needed in decision-making group performance. This lack of diversity may also inhibit the flexibility necessary in organisational survival. Foundations need to avoid the temptation of always recruiting in their own image. Diversity in employees, hiring people with different backgrounds and experiences, different approaches and ways of thinking, assists in keeping your foundation innovative and fluid to external demands.

PROVOCATIONS

- Do you have the talent to successfully execute your foundation's strategy? Do you have people with the right skills, the right knowledge and the right experience in the right places – now and in the next 3 to 5 years?
- Are short-term pressures impacting on, or even driving, your talent planning?
- What do you need to improve your employee value propositions to ensure you are an employer of choice in a competitive talent marketplace?
- What will happen if you get your talent pipeline wrong?

Recruitment challenges for foundations

Learnings from the participants at the "Talent Management for Innovative and Impactful Philanthropy in the 21st Century" symposium (2013)

Recruitment challenges for foundations include, but are certainly not limited to:

- Low compensation
- Less obvious career paths (universities offer little information about careers in the sector)
- Finding the right mix of head, heart and skills
- Getting beyond the brand (for well-known foundations)
- Location of the organisation (undesirable or high cost of living)
- Knowing where to source good candidates and assemble a genuinely diverse staff
- How to know if a good candidate is truly adaptable, passionate, etc.
- Conducting good interviews / having skills on staff to assist with this and / or build internal recruitment processes from the ground up

Finding the right mix of heart, head and skills

Finding individuals with the right mix of heart, head and skills is not simple, but it is possible. Deciding on specific criteria you are looking for in individuals prior to an interview, and understanding which of these criteria is most important to your foundation, can help. Candidates can then be ranked on how well they meet the criteria, eliminating the subjective element that can creep into recruitment processes. Having a deep, personal passion for a subject can be an asset, unless it is not kept in check. Holding initial, screening interviews by telephone or video conference can be useful to narrow down a potential pool of candidates, but face-to-face interviews remain the best way to actually get to know someone.

The mechanics of finding the right people

Those present shared several concrete suggestions for how to get the right people into the right job interviews. Not poaching another organisation's talent is a fine line to be walked in this regard. Specific strategies include:

- Mapping networks and working through grantees, board, social media, partners, etc.
- Making use of recruitment agencies to ease workload
- Calling on other foundation HR professionals and drawing from common pools of candidates
- Knowing the right people to contact in universities who can help with advertising positions

Challenges around location

Challenges could be based around the fact that the office location is undesirable, or if the nature of the foundation's work calls for dispersed staff. Concerning staff dispersal, there was much doubt that technology can actually connect people and there was wide agreement that face-to-face meetings are necessary on a periodic basis in order to build relationships. There is a careful balance to be struck between being representative across borders and assembling a functional team that is able to work together to achieve organisational, rather than individual, goals. Building organisational culture and a sense of responsibility to the organisation is difficult to accomplish remotely. Above all, it is essential that all logistical considerations are spelled out in both the interview and hiring processes, as well as included in work contracts, so that employees cannot claim surprise about working conditions later down the line.

Engage

Employee engagement has become increasingly mainstreamed into management thought over the last decade. It is generally seen as an internal state of being – both physical, mental and emotional – that brings together earlier concepts of work effort, organisational commitment, job satisfaction and "flow" (or optimal experience). Employers want engaged employees because, as well as being happier, healthier and more fulfilled, they deliver improved business performance. Conversely, having a disengaged workforce brings huge risks. As well as productivity losses, organisations may lose their best people and face huge difficulties when embedding organisational change if employees are not on board. Disengagement also threatens effective collaboration, innovation and human capital management, as employees will not be inclined to use their tacit knowledge and skills for the good of the organisation. There is no shortcut to building and maintaining employee engagement, but these four tips may be helpful:

1. Offering a comprehensive onboarding programme
2. Connect people to purpose and values
3. Focus on the core needs of your people
4. Build resiliency

Offering a comprehensive onboarding programme

Onboarding is more than just new hire orientation, it's a critical (albeit underestimated) part of your strategic talent management programme. A great onboarding experience is a relatively easy way to keep the talented people you've recruited and reduce turnover throughout the organisation. Research shows that employees make the critical decision to stay or leave within the first six months and that having the newest talent participate in an onboarding programme can "maximise retention, engagement, and productivity". A comprehensive onboarding programme helps employees feel welcomed and gets them engaged right from the start and should last at least six months. Onboarding is a process – not just a two-week trial-and-train period.

A great onboarding programme:

1. Creates involvement: New employees feel welcome and appreciated, it gives a direct boost for their commitment and engagement.
2. Clarifies roles and mutual expectations, and helps new talents understand the organisation they are now working for (e.g.: how are decisions made?). It also allows them to consciously experience the organisational culture and values. Discussing mutual expectations and cultural values in an open and direct way helps to create a bond of trust.
3. Helps new employees to understand all facilities and networks within the organisation: Who are the people you have to work with, how does your work relate to that of others, etc.

Connect people to purpose and values

Engaged employees thrive in an environment that is in sync with their most deeply held values and beliefs. An important way of keeping the culture and values of the organisation alive is through employing people who live and breathe them. In the early days of the foundation, it's the founder's passion, purpose and beliefs that steer the organisation. But as the foundation grows, and personal contact with the founder typically wanes, it's necessary to rely on others (especially the leaders) to keep the culture and values alive. When employees feel senior managers keep the organisation's purpose and values at the heart of their vision and strategies, they are more likely to feel satisfied with their job than those who do not. Successful employee engagement strategies need the active support of senior leaders and line managers and will also be holistic, aligning organisational purpose, vision and core values with job roles, communications, management systems and team building or cross-organisational events.

Focus on the core needs of your people

Research has shown that people come to work with three core needs (no matter what they do or where they're from): Equity (fundamental fairness), achievement (a sense of progress in their work and personal development that is recognised by their leaders) and camaraderie (meaningful connections to colleagues in the interest of the bigger organisation). Focusing on these needs can help to drive stronger enthusiasm, engagement and resilience. Job satisfaction comes from the experience of fairness, progress and (team) accomplishment.

Build resilience

There is definitely also a dark side to employee engagement. Recent research suggests that while high levels of work engagement are good for the organisation – this might be at the expense of other areas of an employee's life. "Over engagement" can have negative consequences creating workaholic behaviour in employees so that they regularly take work home. This in turn disrupts work-life balance leading to poor health outcomes. In some cases the inner drive to work hard, even when the person doesn't enjoy working overtime, can lead to burnout. People forget to rest or maintain their personal relationships.

Resilience provides a protective factor for individuals, teams and the organisation to deal effectively with times of change, high pressure and stress. Resilience can be defined as: "being able to bounce back from setbacks and to keep going in the face of tough demands and difficult circumstances, including the enduring strength that builds from coping well with challenging or stressful events".[5] Resilient people don't wallow or dwell on failures; they acknowledge the situation, learn from their mistakes, and then move forward. A resilient individual tends to be flexible, be adaptive, cope (even in difficult times), learn from experience and be optimistic.

Building resilient teams is about effective leadership, team cohesion, mutual support, and open, honest communication:

- Lead by example: Supportive and positive relationships are key to building resilience
- Build a team culture characterised by mutual support through modelling trust and inclusivity
- Discuss simple ways as a team that employees can support each other such as "checking in" with each other on a regular basis and becoming aware of the early signs that may indicate a colleague is struggling with their work
- Keep employees informed, engaged and involved
- Encourage a balanced approach to work

(For more on building personal resilience, see the Tools chapter and the case study on the European Cultural Foundation in the Case Studies chapter.)

PROVOCATIONS

- Is doing the good, purpose-driven work of a foundation enough to keep your employees happy and engaged?
- How comprehensive is your onboarding programme? How can it be improved?
- What is the real feeling among the workforce at all levels regarding trust, engagement, workload, open communication, mutual support, commitment to stay? How do you address these concerns?

Develop

Giving people the opportunity to develop and learn increases their job satisfaction and motivation, makes them feel more engaged and also more likely to stay with the organisation. Another way to think about strategic staff development is performance management.

Performance management is about:

- Establishing a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, behaviour and contributions
- Sharing expectations: Managers can clarify what they expect individuals and teams to do; likewise individuals and teams can communicate their expectations of how they should be managed and what support and resources they need for their jobs
- Maintaining and improving the quality of relationships as a joint process – between managers and individuals, between managers and teams, between members of teams, etc.
- Planning, through defining expectations expressed as objectives and in plans, and measurement

Performance management should apply to all employees, not just managers, and to teams as much as individuals, and should be seen as a continuous process, not a one-off event.

The main tools of performance management are:

1. Performance appraisal
2. Learning and development
3. Recognition and reward

Performance appraisal

Many foundations hold performance appraisals regularly, usually annually, during which an individual's manager assesses performance, potential and development. An alternative approach to traditional appraisal arrangements is the use of 360° feedback. This system is a form of performance appraisal based on the collection of performance data from a number of sources, typically including people who report to the individual, peers (team colleagues or others in the organisation) and internal and external stakeholders, in addition to the line manager.

In recent years, the perceived defects of traditional appraisal systems, often conducted on a top-down basis, has driven the development of more rounded concepts of performance management and performance appraisal.

(For more information on strength-based performance appraisal, see the Tools chapter)

For performance to be managed effectively, individuals must know the basis on which their performance will be measured. Objectives, performance standards and measures should be transparent and applied fairly across the organisation. Ideally there should be a mix of individual and team measures, and measures relevant to both inputs and outputs.

Learning and development

Performance development reviews may be regarded as learning events, during which individuals can be encouraged to think about how and in which ways they want to develop.

The 70:20:10 rule, credited to a model put forward by Lombardo and Eichinger (2006), is particularly appropriate in foundations:

- Undertake about 70% of learning through on-the-job experience, tasks and problem-solving
- Make about 20% of learning occur through your interaction with others (inside and outside of the organisation)
- Only about 10% of learning needs are met from formal "off-the-job" courses

As employees reflect on their professional development needs, they might consider if it could be met through experience-based activities such as:

- Exposure to other departments or roles within the foundation
- Getting involved in specific projects or working groups
- Co-ordinated role-swaps or secondments
- Interaction with senior management at meetings or through presentations, etc.

In addition, they might consider if their professional development needs could be met through their interaction with others. Networking and events provide a cost-effective way to develop through activities such as:

- Seeking advice, asking opinions, sounding out ideas
- Learning through teams and networks, both internally and externally
- Getting involved with professional or industry associations

PROVOCATIONS

- Are professional development and growth available for all employees who desire this?
- How are your employees developing agile mind sets, including having the courage to challenge, being curious and collaborative?
- What are the guiding principles, values and beliefs behind your recognition and reward practice? How and why do you reward your people as you do? How creative are you in giving recognition and rewards?
- Do people in your organisation feel they are being treated unfairly? Do you understand who or what in the organisation they feel disengaged from? Are such perceptions of organisational injustice founded on misalignment or inconsistencies, or is it just organisational grumbling?

Finally, they may feel that learning through some form of structured course is appropriate through:

- An externally provided course, workshop or seminar
- Achievement of a professional qualification

Recognition and reward

Well-thought-out recognition and reward programmes can be either peer- or management-driven, or both, and can help motivate employees to continually improve; to be innovative and manage resources creatively; to set high standards and goals; and to work together in teams. Recognition is a great esteem builder and can help create workplace loyalty and build a sense of community. It helps employees see what their co-workers are doing, and why.

One of the most effective ways to express appreciation is often one of the most overlooked: saying thank you. Even if most of the duties one performs are a normal part of the job, hearing thank you in a spontaneous and timely way can mean a lot to anyone. It should be done often, and can be done privately or publicly in front of co-workers. Mention the task, project, or behaviour you want to recognise and be sincere.

To remain competitive in today's environment foundations should develop their own recognition and reward programme based on resources, culture, and other factors. Recognition and reward practices should be consistent with the values of the organisation and help enact them. It also should achieve fairness, equity, consistency and transparency in its operation. To achieve this, foundations should:

- Understand their people's perspectives on fairness and equity
- Define their philosophy, what their reward system really stands for
- Define and communicate what fairness means in their reward programme

Certainly one element of this programme should be the opportunity for growth. Opportunities for growth and development help employees expand their knowledge, skills and abilities, and apply the competencies they have gained to new situations. The opportunity to gain new skills and experiences can increase employee motivation and job satisfaction and help workers more effectively manage job stress. This can translate into positive gains for the organisation by enhancing organisational effectiveness and improving work quality, as well as by helping the organisation attract and retain top-quality employees. By providing opportunities for growth and development, organisations can improve the quality of their employees' work experience and realise the benefits of developing workers to their full potential.

(For more, see the case studies on the King Baudouin Foundation, "la Caixa" Banking Foundation, and Mozaik Foundation in the Case Studies chapter.)

Retain

Retaining employees has become an increasing challenge over the last few years. Once we've brought in great people and invested in their development, we'll want to hold on to them, perhaps not forever but certainly long enough to maximise their contribution to our organisation.

Some of the most common reasons why employees leave an organisation include:

- Employees feel the job or workplace is not what they expected
- There is a mismatch between the job and person
- There is too little coaching and feedback
- There are too few growth and advancement opportunities
- Employees feel devalued and unrecognised
- Employees feel stress from overwork and have a work/life imbalance
- There is a loss of trust and confidence in senior leaders

The most common actions to address retention include: improving the induction process, improving line managers' people skills and increasing learning and development opportunities.

Thinking of retention as re-recruiting your workforce, might help broaden the scope. Foundations need to listen to employees' needs and implement retention strategies to make employees feel valued and engaged in order to keep them. They need to recognise that what attracts a candidate to a particular job is often different from what keeps that person there.

Today employees are looking for a career package, including a comfortable culture, career path, diversity of responsibilities, and a work/life balance.

Last but not least - while we certainly want to think about the benefits of retention to an individual organisation, we can also add value to the philanthropic sector as a whole if an individual leaves for another organisation, as they will bring their skills and contributions to other organisations in the sector.

(For more, see the case study on the Wellcome Trust in the Case Studies chapter.)

PROVOCATIONS

- What are the main reasons your people leave your foundation? How do you know you're right?
- Do you consider "seeding the sector", spreading talent across philanthropy, the right thing to do?

Leadership & Strategic HR Management

In the future, good employees will be scarce, their behaviour will be different and unorthodox and they will expect a significant amount of care. Whether they involve recruiting, talent management or retention, organisational HR processes are increasingly significant. For this reason, they must more than ever before be meshed with strategy and operational processes.

Leadership plays a special role here, because even if HR rises to the challenges of the coming years – if it remains "business as usual" in upper and middle management, the chances are slim for real change.

In this chapter you will find two texts on leadership and HR. The first treats the role of leadership in foundations and the tensions that can arise from the relationships between leadership and other parts of the organisation. The second text is on the positive influence leadership can have on the organisational culture.

Strategic HR management and leadership

By Marta Rey-García, Faculty of Economics and Business, University of A Coruña

The capacity of organisations to successfully deploy their strategy depends on their resources and capabilities. It is well known that the most valuable but also most complex resource to be developed is the human resource. People think, act and interact based on a huge range of dynamic factors and this makes us very complex resources. Incentives are needed for people to abandon their comfort zone, but incentives also have a serious downside: They tend to work in an inverted U-shape.

The prudent use of financial incentives is recommended (depending on the organisational set-up) but should be used only alongside a strategic plan including both other extrinsic and also intrinsic motivation levers. One suggestion would be to use financial rewards only for extraordinary additional tasks. This way we avoid the possible conditioning of employees' behaviours that would lead them to perform well only when expecting a financial reward.

Because of the specific nature of foundations, those strange and frequently understaffed organisations, they tend to have their own specific challenges when it comes to people management practices. In general, foundations can be described as:

- Private entities for public-benefit purposes
- With no owners, no members, but a "dueño" (e.g. the persons controlling their board)
- With (sometimes under)paid & volunteer HR
- Explicit and implicit values are important
- Ranging between independent and endowed, or dependent and insufficiently endowed
- In general fiscally favoured, but with the potential to politically influence
- Impersonal institutions but paradoxically also with a personal legacy and intent

Beyond these particularities, one of the biggest challenges for HR in foundations is that foundations have (too many) important people, but are subject to few economic incentives under the control of the HR function.

With the exception of staff, other stakeholders are not tied to the organisation by economic incentives under the control of the HR function. For example board members or volunteers are out of this scope and so is the founder. In many foundations, the founder's personal intent and legacy are key, and his/her personal preferences, interests and concerns rule. One of the main concerns of the founder is perpetuating that legacy and intent against external change or third-party interference.

The five key junctures for strategic HR management in foundations, according to the specificities of this type of organisation and to the multiple loci of foundation leadership, are the following:

1. "Dueño"- rest of HR
2. Board members
3. Board-CEO
4. CEO-rest of staff
5. Paid staff-volunteers-beneficiaries

"Dueño"- rest of HR

Each foundation has a "dueño"– this represents the person(s) that control(s) the board of the foundation. This person actually defines the agenda of the foundation and could operate under different titles (CEO/Director/President). The dueño decides how much to spend on public-benefit purposes and when, which type of public-benefit activities to implement and which type of beneficiaries to target.

Difficulties arise when there is a conflict between the agenda and interests of the "dueño", and those of the foundation itself as defined in its mission, as may occur in family controlled foundations, pass-through corporate foundations and/or with a founder who remains involved for the long term and does not let the foundation professionalise and scale up as a sustainable institution. These kinds of misalignments could lead to agency problems that seriously affect the whole foundation. The key question is: Who supervises the dueño in the absence of an owner? Who takes care of the alignment of different interests in the foundation with its mission? One of the open questions that foundations need to ask themselves is "Who is the dueño in my organisation?" and to see if there are several contending or aspiring dueños with divergent interests in the same foundation and how that impacts the organisation.

Board members

Because board members in foundations are chosen by co-optation rather than democratically, sometimes questions arise about how the board members, and also the foundation CEOs they appoint, are selected, and who controls and evaluates them, and in which way. An accountable approach to this selection and evaluation process would be beneficial. Transparency would also contribute to solving any issues related to the legitimacy of the foundation managers and dueños in the eyes of society and it would facilitate distributive justice in HR practices at a staff level.

In some cases board members of foundations don't really work as a coherent team, simply because they don't know each other well and have a limited knowledge of the activities of the foundation in the field, including limited interaction with beneficiaries. Board members don't meet often, they usually don't prepare discussions with the rest of the board members before meeting, and have limited contact with staff. Although adequate appointment, decision, evaluation and dismissal procedures are an issue in foundations, professionalisation of boards might be a contradiction in terms: Most of the time what you need is to energise, mobilise and manage a board, but not necessarily or not only professionalise it.

We tend to forget that board members are essentially volunteers. Taking into account all the fiduciary responsibilities board members have (duty of care and duty of loyalty), under certain regulatory regimes there is a huge imbalance between responsibilities, actual tasks and incentives.

Board-CEO

How board members and CEO/top managers perceive and behave towards each other has a major impact on the organisational culture and HR in foundations. Top managers are sometimes perceived by board members as "uncontrollable, and de facto rulers". Board members are sometimes perceived by top managers as "serial victims of their last conversation", with limited knowledge of the day-to-day activities of the foundation and the challenges it faces.

Trust is absolutely key to establishing good working relationships between board and CEO. In some cases there may be insider-outsider tensions between board and CEO: family vs nonfamily, corporate vs non-corporate, internal promotion vs open search.

Misalignments or distrust issues between foundation CEOs and board members are highlighted in periods of change. Nowadays organisations require reinvention (proactive change) not only to grow, but also to survive. And that proactive change, "surfing instead of floating", requires leadership, from both board and CEO. As external pressures for reactive change are weaker for foundations, this juncture is really key as it is the one that enables change and innovation.

CEO-rest of staff

The organisational charts of the majority of foundations are extremely flat, similar to those of micro/small/medium businesses. Due to this organisational set-up there is an incredible pressure on the CEO to deliver upwards and execute downwards, with bottleneck and overload phenomena as a consequence. The organisational set-up also creates limited or no possibilities for employees to move up in the hierarchy, since the high-level managers or board members are replaced only if they leave the foundation. Employees can only change their position horizontally, through different departments. This often creates a risk of programme and/or area appropriation in the organisation, due to long terms in the same position combined with natural resistance to (horizontal) change.

Another particular aspect found in many foundations is the existence of family ties and personal connections between the foundations' employees. When new positions are open, they are usually filled in by family members, or by friends of foundation employees, as organisations are small and professionalisation is sometimes a work-in-progress.

Paid staff-volunteers-beneficiaries

The roles of volunteers and beneficiaries should also be clarified because they are important for all foundations, but they are rarely involved or taken into account when defining the strategic orientation or governing of the institution.

Beneficiaries are the ultimate raison d'être of foundations but have neither political nor economic rights, in the context of a (sometimes) imbalanced power relationship. Public-benefit missions are not accomplished if beneficiaries are not fully on board.

Connecting foundation talent with impact evaluation

Investing in people is very important for foundations: Hiring talented people, handling talent management, developing employees' skills and encouraging diverse networking are all part of investing in people. One of the key resources for foundations is represented by their staff, so a proper investment needs to be done for their development (professional and personal growth, talent management and when applicable financial rewards).

Performance evaluation and appropriate rewards are also important issues for foundations. Setting an explicit hierarchy with clear roles and responsibilities makes all reporting lines clear, prevents confusion and enables accountability as well as an adequate performance review. Job descriptions should also be designed for the CEO, managers and board members.

Foundations should choose the type of incentive that best fits their employees and is the most effective. This could range from financial rewards to peer recognition, from learning opportunities and skills development to giving external visibility and recognition. One other incentive that could be used for motivating employees is that of developing role models within the foundation. The managers and CEOs should be transparent and consistent in their professional approach in order to be seen as positive roles models.

The HR function is important in defining the set of incentives and their implementation as well as driving forward the programme of performance appraisal. Foundations should also focus on "impact thinking" and involve their HR function in these actions: Measuring/monitoring the impact of a foundation's initiatives on society (evaluating social impact); the internal impact within the organisation (performance evaluation and rewarding); and the impact of external factors (social/financial environment, political context and the impact on the objectives of the foundation and its people).

PROVOCATIONS

- Which juncture worries you most when it comes to realising your foundation's strategy? Why does it worry you so much? Which levers do or could you use to make that juncture work smoothly?
- Who is the dueño in your organisation? How well do you understand the real leadership style of your organisation and the impact it has?
- How well does your foundation rate on transparency?
- What could be done to truly energise board members? How do you see the role of volunteers and beneficiaries?

Summary

Promising paths for foundations who want to improve in the field of strategic HR management and leadership are the following:

1. Reflection on foundations' true assets

- Mission
- Vision
- Values: Freedom, generosity, service
- People to translate them into positive impact on well-being through action

2. Reflection on HR management & leadership based on legitimacy

- Listening leadership
- Stable and transparent rules of the game
- Sense of distributive justice

3. Effective governance

- Hands-on and highly committed board members
- Professionally skilled and highly committed staff
- Active volunteers and beneficiaries listening through transparency and accountability

4. From charity to strategic philanthropy

- Useful evaluation is challenging, but still advancing "impact thinking"
- Need for a consensus among relevant stakeholders on what we mean by efficient and effective governance & management

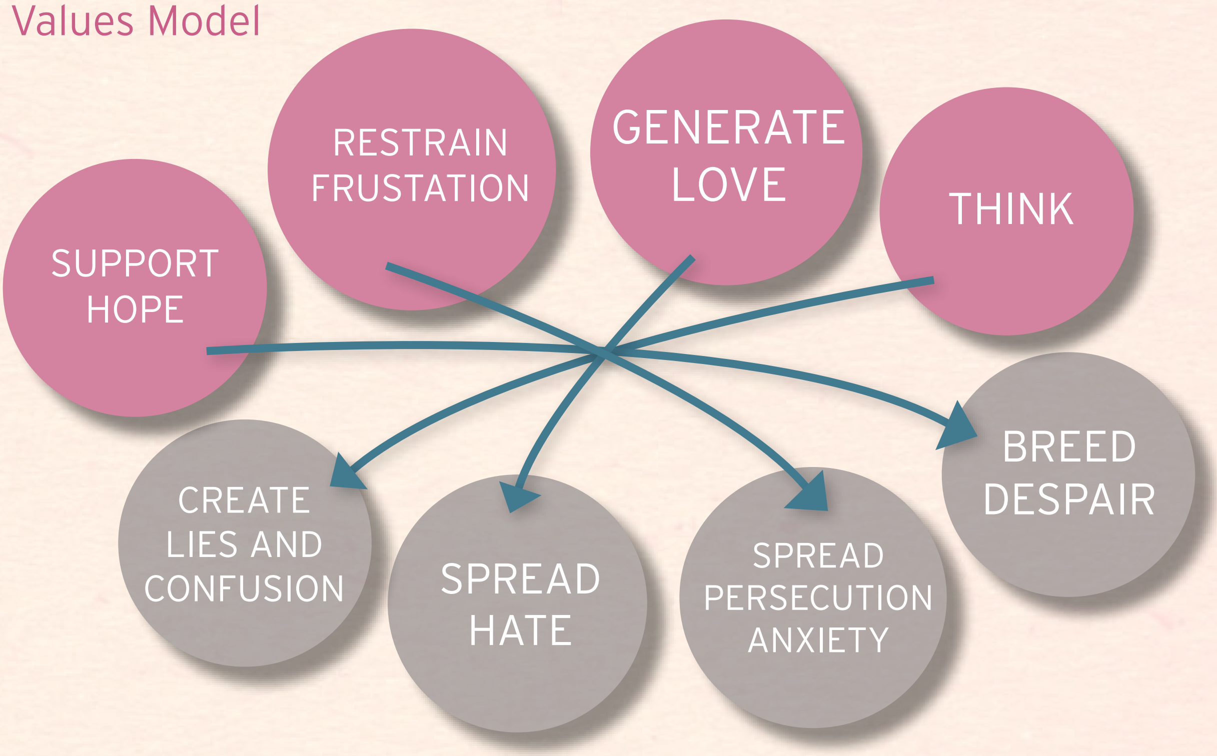
Shaping organisational culture

The following is based on interviews and written contributions with Pier Mario Vello (1950-2014), Secretary General of Fondazione Cariplo from 2006-2014, about his perspectives on human resource management.

Edgar Schein defined culture as: "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems".[6] A more informal definition of culture is "the way we do things round here". An organisation exists only because of the people who are a part of it and those people both shape and interpret the character and culture of the organisation. Leaders in particular formulate a viewpoint about the organisation and the values that can help people achieve the organisation's mission, vision and goals. These are often conveyed through stories and myths about how the organisation has managed internal integration and external adaptation. Organisational culture gets behind the wallpaper and under the carpets and is extremely difficult to change.

According to Mr Vello, the challenge for foundation leaders and HR professionals alike is to influence organisational culture in a positive way. Promoting positive emotions and behaviours, welcoming new ideas and divergent approaches and in general being an empathetic leader all seem to be keys to success in shifting organisational culture. Foundation leaders should also understand their own fears and anxieties and know how it affects their team. Many leaders aren't aware that the choices they make are extensions of the reality that operates in their hearts and minds. Yet it's crucial that those who seek to lead powerfully and effectively look at their internal experiences, precisely because they direct how you take action, whether you know it or not. Taking accountability as a leader today includes understanding your motivations and other inner drives. Being aware of one's mind set and beliefs, fears and hopes, desires and defences leads to changing behaviour when you can still affect the outcome, instead of looking back later with regret. It also means not overreacting to events because they are reminiscent of something in the past or evocative of something that might occur in the future. For leaders, the pink behaviours below are most important, with restraining frustration being paramount. Focusing on the top four is often the most positive and constructive way forward.

The Values Model



EFFECTIVE LEADERSHIP BEHAVIOUR:	EFFECT ON (TEAM) CULTURE:
How to develop passion for people and tasks (love)	**Effects of generating passion**
Respect people and behave fairly.	Strengthens well-balanced behaviours.
Be honest.	Improves the capability of dealing with difficult tasks.
Take care of people's interests.	Strengthens the sense of confidence.
Select flexible and open-minded persons.	Improves the creative imagination.
Facilitate the fulfilment of people's potential.	Increases the interdependence within the group.
Facilitate dialogue among people.	
Tone down negative contrasts.	
Make explicit passion as key team value.	
How to develop hope	**Effects of supporting hope**
Work at the future and at the achievement of results.	Balances constructive and destroying forces.
Pay less attention to the past and previous mistakes.	Fosters aspirations.
Leverage the positive results already achieved.	Favours the taking of risks.
Encourage a realistic assessment by the employees of their own capabilities.	Favours knowledge increasing and the desire to acquire new abilities.
Support and reward efforts at improvement.	Improves the capability of dealing with difficult tasks.
Don't make a mountain out of every difficulty and failure.	Provokes self-satisfaction.
Favour and press for risk taking.	
Coach for entrepreneurial visions.	
Make explicit hope and optimism as key team values.	

EFFECTIVE LEADERSHIP BEHAVIOUR:	EFFECT ON (TEAM) CULTURE:
How to develop thinking	**Effects of thinking**
Facilitate knowledge sharing.	Improves team capability of entrepreneurial visions.
Support direct and no-interest confrontation.	Increases the range of behavioural strategies.
Work with heterogeneous groups.	People agree to learn from each other.
Facilitate quick information sharing and transparency.	Thinking can be delegated to external persons.
Foster knowledge contribution among team members.	Meaning of the job and significance of the person who thinks are increased.
Be prepared to welcome new and unexpected contributions, and to modify strategies.	People are mainly focused on tasks and competences, much less on roles.
Coach creativity.	
Coach applying scientific methods.	
Support and reward new ideas.	
Thinking as key team value.	
How to contain frustration and suffering	**Effects of restraining depressive suffering**
Leverage acquired capabilities.	Strengthens leadership.
Forecast and face the difficulties of the path.	Pre-condition for learning from experience.
Develop the harmony within the team.	Limits the fragmentary forces within the group.
Develop the capability of mutual aid.	Limits persecution mentality
Tone down the tension during stress.	Limits irritability.
Reward efforts for improvements.	Limits the mentality of "everyone for himself".
Informal approach to people.	Limits group fragility in facing difficult tasks.
Limitation of suffering as key team value.	

PROVOCATIONS

For leaders:

- How would you describe your foundation's organisational culture? How does it influence the leadership style and reward system?
- Describe the leadership journey that brought you here. When have you faced significant new challenges, and what helped you cope with them?
- Select an organisational situation you find particularly uncomfortable. Why is it uncomfortable to you? What do you tend to do in this and similar situations? With what effect?

For HR:

- What top three challenges do you currently face as an HR professional?
- Who are your most important stakeholders?
- In order to be successful in your current HR (leadership) role, what do you need to let go of and what do you need to learn? What capabilities do you need to develop?
- In 9 or 12 months from now, what criteria will you use to assess whether you are successful?

HR's role in change processes

Foundation's HR departments should be considered as just one internal change agent, but should not be considered as the leader but rather the facilitator of change processes. HR can bring together groups of staff so that these individuals can then lead and be the change they wish to see. As stated by Tiepolists at the Tiepolo Knowledge Sharing Meeting, foundation staff potentially are icebreakers for change within foundations, if the organisational culture makes them feel trusted, supported and valued. This facilitator role also serves to move an organisation's HR function away from being purely transactional to being more transitional.

(For more information on creating a compelling HR story, see the Tools chapter.)

Avoid being a "sleeping shrimp"!

Learnings from HR professionals at Tiepolo Knowledge Sharing Meeting

Using the Tiepolo experiences as a launching point for discussions, a small group of foundation human resource professionals were invited to join the Tiepolo Knowledge Sharing Meeting in 2013. Reflecting on their own work, the human resource professionals identified specific challenges they face, as well as areas where they see room for improvement:

- Maintaining long-term perspectives and vision, even during Europe's deep moment of financial crisis, and avoiding only being reactive and responding to emergencies in terms of human resource policies and staffing decisions. This means moving away from a reactive style of working to a more proactive one.
- Remaining competitive in terms of salary and compensation, and finding the right balance in this regard between the corporate and non-profit worlds.
- Working with managers who have been hired because they are talented at an individual task or are an expert in their field, but who might not necessarily know how to manage people effectively.
- Inspiring young staff to be creative, innovative, and to think outside of the box, when so many young people in Europe are currently worried only about job security.
- Dealing with staff that have held long tenures with institutions and who may no longer be an effective contributor to the team, but strict labour laws leave little room for manoeuvring.
- Integrating diversity (in terms of age, race, gender, etc.) into the foundation in a way that is constructive and makes sense.
- Overcoming the lack of connectivity that exists between peers working in European foundations on human resource matters.
- Dealing with situations of centralised leadership, which can be challenging during the leader's tenure, but sometimes even more challenging when that leader (and their vision) leaves the organisation.
- Continuing to stay motivated when sometimes it feels that human resource professionals are undervalued as leaders in the foundation field or that they are not recognised as having a proper profession; human resource management always seems to be a priority in theory, but in practice there is a different story being told.
- Coping with the fact that human resource professionals' jobs are often viewed as potentially obstructive or intrusive, and the perception of this work is rather negative and defensive.

The HR professionals concluded that there are too many examples of HR professionals being used only in a control function, rather than an enabling and strategic function. They saw a need within the European foundation sector to create a more compelling vision for what human resource management is really all about. And by doing so, stay responsive to and effective in changing contexts. After all, as the Spanish proverb goes, no foundation wants to be like "a sleeping shrimp swept away by the current".

Tools

This chapter provides four tools that help you shape your SHR & TM policies:

1. Appreciative Inquiry
2. Building resilience
3. Strength-based performance appraisal and goal setting
4. Creating a compelling story for HR

Appreciative Inquiry, customised for foundations

Appreciative Inquiry (AI) is an approach to change and organisational development that has been used successfully worldwide to cultivate hope, build capacity, unleash collective appreciation and imagination, and bring about positive change. It is based on the simple idea that human beings move in the direction of what we ask about. When groups query human problems and conflicts, they often inadvertently magnify the very problems they had hoped to resolve. Conversely, when groups study exalted human values and achievements, like peak experiences, best practices, and worthy accomplishments, these phenomena tend to flourish.

AI suggests that we look for what works in an organisation. AI deliberately asks positive questions around affirmative topics to ignite constructive dialogue and inspired action within organisations. Change research shows that innovation methods that evoke stories, and affirm and compel groups of people to envision positive images of the future grounded in the best of the past, have the greatest potential to produce deep and sustaining change and inspire collective action. The tangible result of the inquiry process is a series of statements that describe what the organisation wants to be, based on the high moments they have experienced. Because the statements are grounded in real experience and history, people know how to repeat their success.

Appreciative Inquiry differs fundamentally from traditional problem-solving approaches. The basic assumption of problem-solving methodologies is that people and organisations are "broken" and need to be fixed. The process usually involves: (1) identifying the key problems; (2) analysing the root causes; (3) searching for possible solutions; and (4) developing an action plan. Deficit-based analysis, while powerful in diagnosis, tends to undermine human organising and motivation, because it creates a sense of threat, separation, defensiveness and deference to expert hierarchies. Problem-solving as a means of inspiring and sustaining human systems change is therefore limited.

In contrast, the underlying assumption of Appreciative Inquiry is that people and organisations are full of assets, capabilities, resources, and strengths that can be located, affirmed, leveraged and encouraged.

There are a variety of AI models that guide how Appreciative Inquiry is practiced but all of them are based on:

1. Choosing the positive as the focus of inquiry.
2. Inquiring into stories of life-giving forces.
3. Locating themes that appear in the stories and selecting topics for further inquiry.
4. Creating shared images of a preferred future.
5. Finding innovative ways to create that future.

Through constructive dialogue, trusted experience is shared, new possibilities imagined and new partnerships created to bring the desired future into being. The classic Appreciative Inquiry 4-D cycle includes:

- Discovery (valuing)
- Dream (envisioning)
- Design through dialogue
- Destiny (co-constructing the future)

Questionnaire: Appreciative Inquiry for foundation employees*

APPROVED

1. Considering your entire time as an employee at your foundation, can you recall a time when you felt most alive, most involved, or most excited about your involvement in the foundation?

- What made it an exciting experience? What gave it energy?
- What was it about you (unique qualities you have) that contributed to the exchange?
- Who were the most significant others? Why were they significant?
- What were the most important factors in your foundation that helped to make it a meaningful experience (e.g. leadership qualities, structure, rewards, systems, skills, strategy, relationships)?

2. Let's consider for a moment the things you value deeply. Specifically, the things you value about 1) yourself; 2) the nature of your work; and 3) your foundation:

- Without being humble, what do you value the most about yourself – as a human being, a friend, a parent, a citizen, and son/daughter?
- When you are feeling best about your work, what do you value about the task itself?
- What is it about your foundation that you value?
- What is the single most important thing the foundation has contributed to your life?

3. Your foundation builds on "proven strengths" and has a history of being a pioneer in a wide number of areas. In your opinion, what is the most important achievement that you can recall that best illustrates this spirit?

4. Can you think of a time when there was an extraordinary display of cooperation between diverse individuals or groups at your foundation?

- What made such cooperation possible (e.g. planning methods used, communication systems or process, leadership qualities, incentives for cooperation, skills, team development techniques)?
- How could these lessons be applied to your team / foundation?

5. In your mind, what is the common mission or purpose that unites everyone on your foundation / team? How can this continue to be nurtured?

6. What is the core factor that gives vitality and life to your foundation (without it the foundation would cease to exist)?

7. If you could develop or transform your foundation in any way you wished, what three things would you do to heighten its vitality and overall health?

- How could these three things be brought to the Dueño/CEO/Executive Leadership Team?

*This survey has been adapted by the author for the purposes of this publication.

Building resilience

Coping with challenges and setbacks

Have you ever wondered why some people seem to be particularly good at dealing with the ups and downs of life and work? There could be many reasons, but people who are good at coping with challenges and setbacks usually have one thing in common: Resiliency. Resiliency is the ability to persist in the face of adversity and "bounce back" from setbacks. Resiliency comes from a combination of positive attributes we develop through our upbringing, education, social and cultural connections, and other life experiences. These "resiliency assets" help us cope with disappointments and stress, overcome obstacles, recover from or adjust to change or misfortune, and deal with the normal stresses and challenges of life.

In order to understand resiliency, it may help to think of the challenges you have faced in your life and reflect on how you responded to situations such as a serious illness or injury, divorce or separation, the loss of a job, major changes at work, or even positive changes such as the birth of a new baby or a promotion at work.

Five ways to build your coping skills

Coping skills are the strategies we use to reduce stress and get through the difficult situations that cannot be avoided. These skills are essential in the workplace because, in spite of our best planning and efforts, everyone experiences stressful situations and setbacks. Five ways to build your coping skills:

- Keep a mental list of the things that help you cope with difficult situations and use them when you're having a tough time.
- Remember that, even if you can't eliminate a problem, feeling a little bit better is a whole lot better than not feeling better at all.
- Stay connected to people who can help you cope and go to them for help when you need them.
- Make time for down time. Take your breaks and vacations. You are entitled to them and they can help you avoid burn-out.
- Learn to break problems down into parts so you can identify the aspects that you have some control over. Make a plan for how to change the things you have the power to change and how to live a little more easily with the parts you cannot change.

PROVOCATIONS

- In the last ten years, what critical incidents have shaped your development? What do you wish you knew then that you know now?
- What energy-sapping situations will you encounter in the coming period, and how can you build in some energisers?

The strength-based performance appraisal process - An example

Step 1: A supervisor – supervisee meeting
Feedforward interview
Reflected best self
(see next page for an example)

Step 2: Filling out questionnaires by both supervisor and supervisee

Step 3: A second supervisor – supervisee meeting
Strength-based evaluation discussion
Find new ways to use existing strengths
Agreement on goals (win-win approach)
(see next page for an example)

Step 4: Creating an organisational map of strengths

Step 5: Staging a party to celebrate progress and strengths

Step 6: Implementing a follow-up process

Strength-based performance appraisal

Performance appraisal is a key component in managing any organisation. It allows you to measure how well you have travelled along your planned pathway, to check whether resources are being used effectively and what risks must be dealt with. It also motivates people to keep focused on desired goals and helps identify training needs. On the other hand, rating people on a list of competencies is a flawed method for improving their performance. What if we used a different method?

Six characteristics of a strength-based performance appraisal:

1. Real-time. Strength-based performance appraisal is a system that helps managers give "in the moment" coaching and course-correcting. Feedback is shared during weekly or monthly check-ins.
2. A super light touch. The system uses just two questions: "What are we going to get done this week? And what help do you need from me?"
3. "About me, designed for me". The employee is the one who drives the performance appraisal. Starting point and ongoing focus in the performance appraisal is: me, my strengths, where I am at my best, and how I can get better.
4. Strength-based because our strengths are our true opportunities to grow.
5. Focused on the future. Strength-based performance appraisal focuses on the future instead of the past. Coach your people on what can be improved next week or next month.
6. Bottom-up. Goals should be set at the lowest team level and aggregated up.

APPROVED

"Feedforward" interview

An interview style in human resources management that looks forward in an effort to anticipate performance as opposed to a feedback interview which evaluates the past.

1. Introduction

"I am sure that during your work you had both negative and positive experiences. Today I would like to focus only on the positive experiences."

2. Story

Could you please tell me a story that happened at your work, during which you felt full of life (happy, energised) even before the results of your actions became known?

3. Peak

What was the peak moment? What did you think and feel at that moment?

4. Conditions

What were the conditions in you, others, the organisation that allowed this to happen?

5. Feedforward question

To what extent are your current behaviours taking you closer to or further away from the conditions that allowed you to feel full of life at work?

Reflected best self-feedback

A strength-based approach instead of a deficit model: Progress is not a function of improving upon weaknesses but of building upon one's strengths.

Three steps:

1. Request feedback on "you at your best" from significant people
2. Analyse the best-self stories to compose the best-self portrait
3. Build on it to identify goals and develop action plans

Happiness research

Happy people are healthier, more sociable and perform better than unhappy people.

This runs both ways: Success makes people happy and positive effect engenders success.

Finding new ways to use existing strengths

Two exercises effective in increasing happiness and reducing depression:

1. Writing down three good things that happened each day and why they happened

2. Finding each day a new way to use one's signature strengths

Win-win approach

Design goals that simultaneously address the foundation goals and enable expression of supervisee's strengths.

Creating a compelling story for HR

The what – The content of the story

There are three types of story that help you in your efforts to change and improve SHR and Talent Management in your foundation and get others on board. These types are based on the "what" in the story: What content should you ensure?

1. A vision story, in which you create an image of your foundation, or part of it, as it is when you achieve your goal. An image as visual and concrete as possible shows what point you should reach according to you. In any case, a vision story consists of your foundation's goal in improving people management practices and what drives you to attempt it. Take care to tell it as narratively as possible.
2. An explanation story, in which you use responses, criticisms or questions to explain why your foundation should do it. An explanation story always has a vision story as a starting point. In any case, an explanation story consists of the question or criticism that you get as a starting point, the answers to this are illustrated with an example and a reference to the drivers in your vision story.
3. A teller's story, in which you show who you are, for example by talking about your past, why you decided to focus on improving human resource and talent management in your foundation. A teller's story is an anecdote about what you have experienced (within this foundation or earlier in your life) and the results of a lesson, an insight or an emotion of yours in relation to what you are striving for.

The how – The way of telling the story

To be able to tell your vision, explanation or teller's story effectively, there are three strategies that you can use, based on what we know about the effectiveness of stories. These strategies concern the "how" of the story:

1. The illustration bridge, where you illustrate each abstract concept or general statement with a concrete example
2. The story bridge, where you communicate what you want to tell in the form of a story
3. The metaphor bridge, where you use an image that communicates in a nutshell what you have in mind

Co-creating a story

As an HR professional or a leader, you do not create your story on your own. You develop it from what others give you. This applies to your vision story, your explanation story and your teller's story. If you are smart, you use the people around you to make your story better and more focused. You can do this by spontaneously discussing your story, or organising feedback, for example using the dilemma method, the story-picking method or the fable method. People can help you with good examples, appealing stories and surprising metaphors, as a result of which you can improve your story and make them co-owners of it, so that they not only form your story capital but also become your story ambassadors.

Six steps to create a compelling story

1. What examples from the recent past (within the last 1 to 2 years) illustrate best the message you want to bring across?

2. Imagine that it is 2 years from now. What would you most like to be able to say about this period? What are you really happy about?

3. Develop the examples from the past (how it was) and the desired examples from the future (how it could be) into a story.

4. How does the story move you? What value, personal conviction or experience connects you as a person to this particular story?

5. Think of an anecdote (i.e. something you have gone through, learned or experienced emotionally) that illustrates this. Add this to your story.

6. Prepare a short presentation and ask for feedback from the people around you. Ask them what they heard and what resonated with them.

Case Studies

These case studies provide a view into the human resources practices of some European foundations. The foundations represented here discuss the HR challenges they face, their ways of tackling them, the impact these actions had, and what lessons can be learned from the experience. These case studies show the diversity of situations and contexts these foundations operate in, but they also illuminate common ground and the potential to learn from each other.

Mozaik Foundation

Changing operational models to meet HR needs

Introduction and background

Mozaik Foundation operates in Bosnia and Herzegovina, a country that is stuck in a political, social and economic impasse, with the highest youth employment in Europe. Quick-fix attempts to jump-start our country have made little or no impact. The successes of organisations and donor agencies have not been sufficient; citizens display an ever-growing lack of hope and a dangerous sense of injustice.

At Mozaik we feel that we have risen to the challenge: to devise an innovative, long-term strategy that will bring back hope to youth in our country. The groundwork of our new 10-year strategy is now complete. Herewith, we make a promise to achieve the following impact: "Between 2015 and 2025 Mozaik Foundation will lead the development of a break-through generation of entrepreneurial and innovative youth – a value-driven force that creates new social and economic value, develops successful social businesses, and serves as a role model to other youth."

Operational model

Implementing the new strategy creates several challenges around human resource management for our organisation:

- An increased number of employees requires more efficient management techniques to lead them toward our goals
- Enough space for learning needs to be integrated into the everyday jobs
- Sharing of staff evaluation responsibilities.
- Maintaining self-motivation levels

To respond to these challenges, Mozaik has developed a new operational model that will better fit our future needs and provide management time to deal with the increasing complexity of day-to-day operations. Currently, we are structured as a hybrid matrix organisation, whereby a number of team members report to two or three other team members. During our initial growth, while our team was small, this was a great way to navigate through complexities and build capacities of team members.

With the increasing number of team members and more complexity, the model will now change into Project-Team Model, with a number of centralised functions. There will be two key team leaders, one for YouthBanks and one for our new M-SEED Program. They will hold all operational (programmatic, administration, financial) responsibilities.

Management will comprise directors responsible for general management and executive operations. The support functions will include (1) Curriculum and Talent Management (2) M&E and Analytics and (3) Operations.

Assessment and evaluation

Instead of job descriptions, our new operational model will include key performance indicators (KPIs) for every position. These quantitative indicators are related to the KPIs of our 10-year strategy and will provide:

- Clear objectives for every position
- Timely detection of employees' improvement areas and learning needs
- The ability to efficiently lead all team members toward the overall organisational goals

FOUNDATION Mozaik

KPIs for each position were defined through a joint effort with our employees. Based on the 10-year strategic framework, every employee outlined the KPIs they should be responsible for and to which other achievements (s)he can contribute. This exercise helped us determine the new operating model and revise our current organisational structure.

We have identified that one of our weaknesses was our over-readiness to help each other; the help was always there – even if you did not ask for it. Although it boosted team spirit, the efficiency of this approach was doubtful. The new approach of using KPIs helped everyone focus on his/her direct objectives, support people whose KPIs are interrelated, and finally to help others and Mozaik's joint projects.

On the other hand, we were afraid that only using quantitative KPIs would ruin our team morale and self-motivation which are essential to Mozaik. As a result, we have added qualitative indicators to our monthly assessments. Yes, monthly! Based on a 360° feedback evaluation approach, every employee can assess all other colleagues on qualitative aspects such as kindness, team spirit, added value to Mozaik's development, can-do attitude, and representation of Mozaik's values. In order to keep this process affirmative and efficient, it is done through an in-house application, where everyone is automatically prescribed the highest score for all five indicators, and only if someone wants to change this, he/she can enter the system and provide differing feedback. Only two managers can see who is giving which scores, in order to create the space for timely intervention and clarification, if needed.

Finally, based on the KPIs and 360° feedback, every employee can get a financial incentive (bonus) for excellent performance – in fact, the goal is for everyone to get the full bonus.

KPIs will be revised once a year, during the annual evaluation phase, where personal development plans will be agreed for every employee. This year, we will revise KPIs after six months, since the whole process is in its start-up phase – we've agreed with the employees that we will test and refine the processes until we find the one that works well for us on our path to change Bosnia and Herzegovina. We will be happy to share outcomes with you in the next year. Keep your fingers crossed for us!

Wellcome Trust
What worked for us

Introduction and background

The Wellcome Trust is a charitable foundation with around 650 diverse members of staff from a variety of backgrounds and disciplines. Our people are generally highly motivated and committed and our turnover rates are relatively low. We have measured staff engagement rates and overall feedback through staff surveys periodically. Two successive surveys revealed that while our training opportunities were highly rated, questions on the opportunity to "develop your career" received less positive responses.

While our Learning and Organisation Development strategy clearly puts the onus on individuals to take responsibility for development, it was clear to us that many people were considering development only in terms of training courses and were not taking the initiative with respect to their own development.

This resulted in individuals feeling frustrated with their development and not seeing the organisation as somewhere where they could gain experience to develop their careers. This impacted on motivation and an unwillingness to work outside their job role stalling change in the organisation.

Implementation of the practice

As one of a number of initiatives we launched an annual "Careers Season" in 2013 to provide our people with a broad range of different stimuli to take responsibility for and prompt their development.

Initiatives included:

- Workshops for everyone on how to get the most of their development and the performance review process
- Workshops for managers on how to have effective performance and development conversations
- A series of panel events to share stories of career development from within and outside the organisation. These included people who had moved roles in the organisation, secondments, volunteering, study, mentoring, etc.
- Training taster sessions across some of our most popular programmes
- Positive mental health workshops including building resilience
- Cross-organisation volunteering days
- Career development workshops
- Career coaching sessions

Other than the training taster sessions all the events and training days were run by employees and, apart from one event, the panel members were current or past employees.

Results of the practice

What worked well:

- The range of panel events offered worked really well and the more interactive format we used in 2014 encouraged discussion, and we will be repeating
- Training tasters were popular and we will be offering a wider range of these
- The career tools offered were well-received and we will be developing a wider range of tools which people can access online

What proved difficult?

- We wanted to increase the number of mid+ career employees attending (not just early career), and some did attend but not as many as hoped – this year we will be offering events specifically relevant to this group
- We found that events run after work were not well attended whereas those held at lunch were very popular - we will focus on events within the working day

wellcome trust

Conclusions

How have the results benefited the organisation?

- Employees taking responsibility for their own development. Far fewer comments (complaints) that their managers are not developing them
- It models what career development could look like, and gives people confidence to have a go at different things
- It has given permission for career discussions including moves outside the organisation to take place
- It has supported moves and working across departments both as projects, formal secondments and job swaps full and part time
- Employees are keen to stretch outside their role and put themselves forward for opportunities and actively approach others to create opportunities
- Links across the organisation are becoming stronger, supporting other initiatives that we have in place for changing the way we work

Recommendations for people working on the same issue(s):

- Consider the whole system (performance review/career development/organisation development/culture/values) and where this type of initiative fits in
- Ensure that all initiatives that are showcased can be adopted throughout the year
- Recognise the power of stories and help people to tell them. A great opportunity for those who don't usually talk about themselves to raise their profile

European Cultural Foundation

Collaborative planning processes

Introduction and background

ECF works on a four-year strategic planning cycle. For our 2013-16 cycle, we knew that change was necessary in our activities and that our new strategic plan should bring changes to our programmes, and to the way we work. We have a team that is highly committed and heavily invested in what they do, and we wanted to be sure that the team would be inspired and engaged by the new plan, rather than stressed out by the change.

We did not want to arrive at the new strategy in a top-down manner.

Our main objective was to develop a vision, strategic goals, and operational objectives (ultimately, a new programme) which would be streamlined, would continue the best of what we already did, and which would retain the commitment of our staff.

Implementation of the practice

We engaged in two main cycles of activity: A strategic planning cycle, determining the vision, mission, strategic objectives, and also the theme that we would work on in the coming four years; and an operational planning cycle, to translate all of this into programmes and an operational structure.

The main tool we used was reflection, in regular meetings and discussions. We needed to make the time to air issues, to think creatively, and to unpick our organisational challenges. The group that tackled the first cycle was relatively large, consisting of our top and second layers of management (the director, department heads, and the programme managers – nine people in total). There were also two meetings involving all staff, to update, but also to gather input. We used retreats to spend more focussed time on the exercise, and called on external facilitators practiced in strategic planning to help us in this. We also commissioned research to help shape our thinking on the content side. The top management (department heads and director) narrowed the thinking down to the final strategic proposal, which was approved by our board.

The second cycle, the operational planning, commenced after board approval. The director and top management had envisaged asking one programme manager to take on the task of working out the details of the new programme. However, our programme managers suggested that it would make more sense to work as a team (of four people). Again, they used a series of meetings and discussions over time, with research and consultation with their own teams along the way. This collaborative, cooperative process brought a broad expertise to the table, and ensured input and in-depth knowledge from all of our programmes.

Results of the practice

At the end of the process we had a brand new strategic plan and a new programme which was embraced by most of the staff who would work directly on it, even though for most people a change in role was implied. It is important to note that our way of working changed completely – from individual project managers to a very collaborative team structure, networked both within and outside of ECF. Our new strategy is about "culture, communities and democracy", and is underpinned by the philosophy of "communing" – collaborative working – and we try to reflect this internally. This could have been a painful switch for people used to working on their own area relatively autonomously, but in most cases, it has gone smoothly.

Besides this acceptance and enthusiasm for the new challenge, there were other positive effects. A clear team leader emerged from the collaborative process. The input of the programme managers ensured what could be described as a sort of "knowledge continuity": the things we had learned from our existing programmes were smoothly incorporated into the new programme. Trends were noticed and picked up on.

We did not formally assess the process we went through, and it is important to note that we did not necessarily go through it as consciously as may come across here. We wanted an inclusive process, but we didn't "design" it from A to Z. If we were to do something similar again I think we would plan it more, and include a process evaluation at the end. For the operational planning cycle, there was an objective in each programme manager's appraisal, so individually there was a review at year end.

EUROPEAN
CULTURAL
FOUNDATION

Lessons learned

Our approach had a direct impact on the acceptance of not only the new programme, but also the new roles, by most of those directly involved. It was not perfect (the success rate in this was not 100%), but we firmly believe it was far more effective than a top-down approach would have been.

Communication was often good, sometimes could have been better, and is something we need to continue to work on as an organisation. For example, while programme staff was well informed almost every step of the way, other colleagues would have benefitted from more information in the latter stages of the planning. We learned that a careful communication strategy and plan is essential.

At the end, the most sensitive part was role definition in the new programme, and the communication around this. Clear agreements around who would be responsible for the definition, and the final decision, would have helped, and perhaps because it is so difficult to ask a small organisation to look at its own role structure objectively, involvement of an external party may have helped.

Conclusions

ECF has been through a significant change process, but for most of those directly involved, it has been smooth and inspirational rather than stressful.

We would definitely recommend this process to others looking to make a change process work in their organisation, and would like to pass on the following tips:

- Allow plenty of time (start at least a year early), meet regularly, and plan in retreats to allow for uninterrupted reflection.
- Be prepared for pushback and be prepared to make the case for your approach (repeatedly), both to staff who don't want to be involved, and to top management or boards who feel they should be controlling the process.
- Linked to the above, get buy-in early from all stakeholders.
- Constantly monitor how things are going.
- Make a communication plan, appoint someone to be responsible for internal communications.
- Be prepared to engage external experts when you need an objective view.
- Be clear about roles and responsibilities, and look for areas where conflicts of interest might arise and agree how you will tackle those.

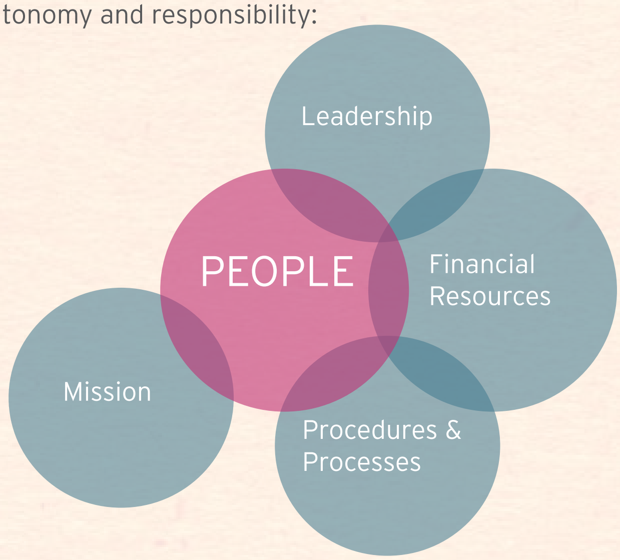
Ultimately, our recommendation would be to give it a go. The results may surprise you, and they will create their own buzz within the organisation.

King Baudouin Foundation

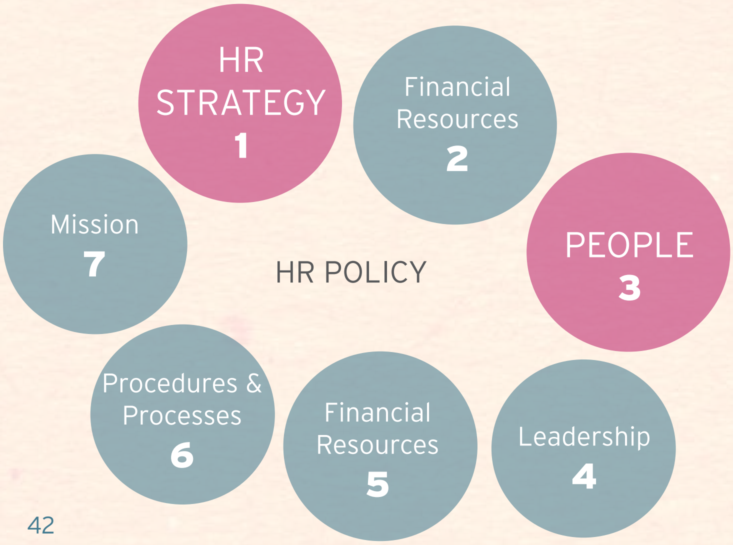
Compensation and reward management

Introduction and background

The King Baudouin Foundation is a strongly value-driven organisation with a strong mission and vision, which works with committed and motivated knowledge workers and support personnel. These human resources are a crucial asset for the results and the quality of its initiatives, in addition to the financial resources, the mission, the leadership and the procedures and processes. The foundation offers its personnel an interesting job with a strong substantive component and a high level of autonomy and responsibility:



The HR policy is based on competences, and all HR components are linked:



The foundation is a "knowledge enterprise", whose human resources constitute the principal element for executing its mission. However, like many employers in the social non-profit sector, it finds itself confronted by two challenges that are hard to reconcile: On the one hand, in a general context of economic hardship there is little margin for conducting a policy of highly competitive remuneration, while, on the other hand, in order to maintain and strengthen our quality level, we are obliged to attract and keep top performers with drive.

KBF has succeeded so far in recruiting engaged and capable personnel, motivated by the global societal mission of the foundation. HR takes the responsibility to have several formal and informal contacts with staff on their performances but also on their satisfaction. Activities include an annual evaluation, 360° evaluation and engaged performance survey.

In the 90s there was a common practice in Belgium to have a compensation and reward management based on "pay scale". This means that every year an employee received automatically a salary increase, independent of his performance. Besides this practice we know in Belgium "the index system". This means that (almost) every year the salaries in the different sectors increase by around 2%. The "index system" still exists nowadays but has been put on hold because of the financial crisis.

Implementation of the practice

In 1997 the remuneration committee of the KBF decided to work no longer with the "pay scale system", but pay on the basis of performance and results. We started the new approach and have chosen to use the Hay model - an international model that allows the benchmarking of salaries. This works as follows: You start to weight the different functions in your organisation. So every function receives a number of Hay points, depending on the content of the job, the responsibility, the autonomy, the position, etc.

Then a salary chart is made for all the functions in the organisation, based on the salaries of the global market.

King Baudouin
Foundation

Working together for a better society

Salary chart (example):

Function	Hay points	80% salary	100% salary	120% salary
Managing assistant	240	X€	X€	X€
Accountant	353	X€	X€	X€
Project officer	496	X€	X€	X€
Advisor	702	X€	X€	X€
Director	864	X€	X€	X€

Every year a salary benchmark is defined by the Hay Group that allows our salary policy to be compared with the general labour market. We decided to pay the project officers -5% of the global labour market.

When a new collaborator starts at KBF we look at the diploma/degree, experience and age and we allocate a salary between 80% and 100%.

An evaluation system based on competence has been put in place. All staff members are evaluated on three elements:

- Performance (based on a set of competences)
- Targets (3 to 5, linked to the projects)
- Personal development plan (improve the competences through training, coaching, etc.)

Every year the employee's salary can increase when he/she has performed well, can prove the expected results and has reached targets for projects.

These evaluations (conducted by N+1) are linked to compensation and reward. We have three scores in the evaluation system: performance under expectations, equal to expectations or above expectations. The two scores – equal and above – lead to a salary increase. The size of the salary increase depends on the position of your salary. If your salary is under 105% of the market you receive a salary increase. The increase will be more significant if you performed above expectations. If the salary is above 105% of the market the employee receives a once-only bonus.

This table shows the system of salary increase:

Position of the salary	Under expectations	Equal to expectations	Above expectations
80-105%	0	X€	X€
105-120%	0	0 or bonus	bonus
+120%	0	0	Bonus

Results of the practice

The above-mentioned evaluation and reward system has been in place for several years. The collaborators have adapted the system and consider it as a correct and objective approach. It is a transparent system that has the advantage of being clear.

However, the management at the KBF has received signals that the foundation could focus more on talent management. That's the new challenge for the near future.

"la Caixa" Banking Foundation On human resources retention

Introduction and background

Since 2014, "la Caixa" Banking Foundation has conducted a programme to support the organisation's staff who have undergone a change in role or duties. A support plan has been designed to promote both the professional and personal success of the employee in question. This measure provides tools to aid improvement while encouraging greater contact between the staff member and his or her line manager. It is important to bear in mind that this action constitutes a recognition of improvement for the employee, but is not linked to any increase in salary.

What is the problem being addressed

The internal movement of staff is constant within the foundation. Some of these changes may require employees to apply new skills and competencies that have not been needed in previous positions. It may even be the case that the new post means they must assume greater responsibilities.

It was for this reason that the decision was taken to design an individual, personalised support plan containing three prime objectives, outlined below.

1. To offer the employee tools to help with respect to three areas of work:

- The knowledge required for the new position or centre and how it operates
- Specific training needed for the new position (IT systems, work instruments, etc.)
- Role-related skills that need to be acquired

2. To seek a space for conversation between the employee, his or her line manager and a representative from Human Resources, to explain what the organisation expects from the former, so that the relationship between all agents is a transparent one. A statement of commitment will then be signed.

3. To foster recognition by other employees. Role-related skills will be developed through mentoring carried out by one of the foundation's staff members. The person chosen to conduct this process will also feel acknowledged and valued within the organisation.

How was the problem impacting the organisation?

There was no existing protocol of action and we were faced with a situation in which, depending on the management skills required in the new role, the employee may or may not have had adequate tools to enable effective adaptation to the new position. It was therefore decided to prepare a specific support tool.

Change without the necessary support could directly result in a lack of commitment on the part of the employee and a poor evaluation by his or her superiors.

What are the objectives being achieved?

The major triumph of this methodology lies in its being an apprenticeship of learning for all the parties involved (employee, line manager and Human Resources).It involves a commitment on the part of the employee and the line manager responsible for ensuring the support plan is successful. Furthermore, introducing mentoring with a follow-up session six months later ensures an ongoing conversation. The aim is to achieve that space for conversation between the parties and, to a lesser extent, to develop the tool to be used. Finally, we consider the signing of a document necessary, not so much for its content, but as a representation of the commitment of the parties involved. It is a symbol which promotes greater engagement with the support exercise.

Implementation of the practice

What are the main activities carried out?

The practice is designed for internal movements between departments or areas which entail a change of role or function on the part of the employee. This change is usually a consequence of an internal call for applications, or may be brought about directly by the Human Resources Area.

Methods, tools or techniques used:

Support to the employee is formalised through a simple document which refers to the three areas of work mentioned above, and includes:

1. Actions to be taken to facilitate better knowledge of the new area and how it operates including spending time in other, similar centres, and introduction to other staff members to get to know who is who.

”la Caixa” Foundation

2. Specific training actions directly related to the position, such as IT applications. No external training is needed as this can be carried out by internal experts. This also strengthens the recognition of these in-house trainers.
3. Support in the improvement of these new, post-related skills. A member of the foundation’s staff who is fully conversant with such skills is chosen to carry out this action and take on the role of the mentor.

The foundation considers the most relevant element of this process to be the conversation between the parties and the employee’s signing of the commitment.

Results of the practice

Despite the lack of formal evaluation of the tool, the employees have related their satisfaction in being able to know and understand precisely where their performance has improved. In addition, an area of teamwork and alignment between the employee and his or her mentor is established, all of which creates impact in the form of a new culture dynamic in the organisation.

In addition to creating the conversation space, one of the aims of the practice is to increase the commitment of employees and management alike. For that reason, the performance evaluation which, in 2015, now includes the competence of commitment, is able to analyse whether the employees who have carried out this practice have developed greater commitment than those who have not.

Lessons learned

What worked really well? What facilitated this?

The major triumph of this methodology lies in its being an apprenticeship of learning for all the parties involved (employee, line manager and Human Resources).It involves a commitment on the part of the employee and the line manager responsible for ensuring the support plan is successful.

What proved to be difficult? What did not work?

Most of the difficulties we have encountered involve different styles of leadership, but this was an opportunity for us to facilitate tools for directors and line managers that will improve this aspect of their work.

However, mentoring has, in some instances, not been effective enough. Where this was the case we turned to external professionals and used coaching sessions (for example) to help the employee.

On the other hand, systemisation of the support on the foundation’s employee portal would be an opportunity for improvement in the future. Once the support process has been completed, a satisfaction questionnaire could be filled in, enabling us to work on areas that could be improved.

Conclusions

How have the results benefited the organisation?

This method helps us strengthen commitment and bring us into line with leadership styles which, in the long term, we hope will have an impact on our corporate culture.

Recommendations for people working on the same issue(s):

The most important thing for our foundation is not the document in itself, but establishing the conversation spaces. Spaces in which to share with employees, and to take advantage of the opportunity to know staff members and managers alike just a little better.

The methodology of supporting employees with this good practice entails no cost, as the agents involved are in-house trainers, experts and mentors.

The practice is also a way of fostering the recognition of employees without linking this to an increase in their salary.

We suggest that specialists from Human Resources provide the appropriate setting for and are present in the space for conversation. They should also assume the role of moderator and the person who can clarify doubts with respect to the matters raised in the meeting, with the aim of ensuring all participants understand them in the same way.

Continuous Learning and Bibliography

Strategic value of HRM and talent management

RESOURCES

Peter Capelli (2008), "Talent Management for the 21st Century"

Which lessons can be learned from operational management? Peter Capelli proposes a "talent-on demand framework": employees should advance through an internal talent pipeline - like products through a supply chain. The framework is founded on four principles from supply chain management: make and buy to manage risk; adapt to the uncertainty in talent; improve the return on investment in developing employees; and preserve the investment by balancing employee-employer interests.

Lynda Gratton (2010), "Lynda Gratton Investigates the Future of Work"

Many of the ways of working that we have taken for granted for the last 20 years are disappearing and what is taking their place is much less knowable and less understandable. Lynda Gratton is making sense of the future of work and provides a preview of how the forces shaping the future of work will develop and the impact those forces will have on us.

FURTHER READING

John W. Boudreau (2005), "Talentship and the New Paradigm for Human Resource Management: From Professional Practices to Strategic Talent Decision Science"

HRM should become responsible for decisions about talent, wherever they are made and especially where they matter most. Therefore, a decision framework is designed that connects decisions about talent to strategic success, and provides the language needed to find new answers to strategic questions. A decision framework for the most important resource of an organisation - the talent of its people.

David Collings (2009), "Strategic Talent Management, a Review and Research Agenda"

A conceptual article on talent management, with an interesting theoretical model of strategic talent management and a literature-based research into a concise definition of strategic talent management.

The Development Compendium (2009), "Human Resource Management and Leadership"

A comprehensive article covering the full width of HRM, with both theoretical models and descriptions and complemented by best practices. Read about "major" HRM topics: strategic HRM, recruitment, selection and induction, job description and job evaluation, the appraisal process, staff well-being, career planning and management development, leadership, training, resignation and outplacement.

Lynda Gratton (2011), "Workplace 2025 – What will it look like?"

Article about the research done by Lynda Gratton (mentioned above). In the article you can find an extra paragraph on the implications of her work on organisations and the HR function.

Personal leadership development

RESOURCES

CIPD (2008), "Engaging leadership. Creating organisations that maximise the potential of people"

Leadership is not simply the domain of a few, but is prevalent throughout the organisation in the untapped talent of all its employees. The role of the organisation and its formally appointed leaders is to create a culture in which such latent potential is nourished, recognised and released in daily interactions and ways of "being", and of doing things together. Engagement is the key to exploiting this resource. HR professionals will play a crucial role in advising, guiding and supporting their organisations in encouraging new ways of working in which connectedness is absolutely the key.

Barbara Kaufman (2011), "Leadership strategies: Build your sphere of influence"

One essential ingredient to any successful leadership philosophy is influence. As such, the skills to build a sphere of influence and exercise that influence effectively are fundamental to success. Developing these skills will increase a leader's ability to obtain buy-in on strategic initiatives and execute those initiatives smoothly. Whether you are the CEO, CFO, division head, account manager or information technology professional, your future success depends on your ability to influence others today.

McKinsey Quarterly (2014), "Lead at your Best"

Five simple exercises that can help you recognise and start to shift the mind-sets that limit your potential as a leader.

McKinsey Quarterly (2010), "Putting a Value on Training"

Training programmes generate greater value for organisations when the curricula reflect key business performance metrics. Testing real-world outcomes is crucial.

FURTHER READING

CIPD (2012), "Perspectives on leadership. Implications for HR"

What does effective leadership look like? And where does HR fit into this leadership agenda? This research report provides a theoretical outlook.

Wayne K. Hoy (2007), "Influence: A key to successful leadership"

Getting others to follow is the sine qua non of leadership. Just how can leaders persuade and influence others to follow their lead? This is also known as the "science of persuasion": Persuasion is governed by a basic set of principles that can be taught, learned and applied. In this article you can find ten basic strategies leaders can use to persuade and influence others.

Performance management and appraisal

RESOURCES

CIPD (2011), "Sustainable Organisation Performance. What really makes the difference?"

How can organisations implement specific change programmes to drive long-term performance? Find insights for HR practitioners and business leaders about what will really make the difference for the long-term performance of organisations. Provocations proposed for each insight are rooted in evidence coming from six case studies from organisations in the public and private sector.

Federation of European Employers (2011), "Performance Appraisal, a European Perspective"

In many European countries formal performance appraisal (PA) systems remain in their infancy. Europe has been slow to reap the advantages of PA as a wide-ranging approach to improve staff retention and motivation. There is also an absence of hard data from across Europe to show how each facet of a PA system can impact on a company's bottom line. Cultural and legal barriers sometimes exist to prevent managers giving negative feedback to employees. In this article the differences across Europe are discussed.

FURTHER READING

Osnat Bouskila-Yam (2011), "Strength-based performance appraisal and goal setting"

Is there an alternative to performance appraisal exercises as its benefits are questionable? In this article, Strength-Based Performance Appraisal combined with a goal setting process is proposed as an alternative, considering ideas both from performance appraisal practitioners and from Positive Psychology scholars. The method emphasises learning from success stories using the Feedforward interview, reflecting the best self. The result from a practical case study is given and evaluated.

CIPD (2011), "Engagement for sustainable organisation performance. An online practical tool"

Use this tool to put engagement strategies into practice; identify what your organisation does well; build on your achievements to increase engagement; and plan what else you can do with your people to maximise engagement.

Barry Gerhart (2014), "Pay for (individual) performance: Issues, claims, evidence and the role of sorting effects"

To what extent do organisations use pay for individual performance (PFIP) and what are the positive and negative effects of PFIP? Herzberg and Maslow have taught us that pay is not a motivator, but this is generally seen as lacking empirical support. While PFIP is not a panacea, pay is not the only motivator and things can (and do) sometimes go terribly wrong with PFIP, it is difficult to think of a better overall alternative.

Emerald Insight (2002), "Employee benefits provision. Can it impact on talent retention, motivation and productivity levels?"

To communicate the advantages, scope and potential impact of employee benefits successfully, organisations themselves need to understand their people, what they want from individual products and their motivation to acquire them. The better benefits are communicated, the more staff will appreciate their employer and engagement with the organisation is increased, even when employees do not take up benefits offers. There is a series of steps organisations can take to ensure benefits communication is working to the best advantage of employees and therefore engaging with people in a positive way.

Institute for Employment Studies (2009), "Increasing the effectiveness of reward management: An evidence-based approach"

Effective reward management has to be evidence-based. We have to get better at evaluating and managing rewards and ensuring that what we do is more strongly rooted in evidence on what works and why. This article describes how organisations pursue effectiveness in reward management and the lessons learned from them are distilled into a description of a model of evidence-based reward management. This model has the potential to enable line and HR managers to make better reward decisions.

Contributors & 2014 Learning Lab participants

The EFC would like to thank Mavis Carrilho for writing this guide as well as the following contributors for their input and participation.

The EFC would like to thank the 2014 Learning Lab participants:

Alberto Fascetto, Fondazione Marcegaglia Onlus
Andrea Silvestri, Fondazione Cassa di Risparmio di Cuneo
Ann De Mol, King Baudouin Foundation*
Anna Nöst, ERSTE Foundation
Anna Talasniemi, Kone Foundation
Chiara Alluisini, Fondazione Marcegaglia Onlus
Corinna Hörst, The German Marshall Fund of the United States
Elisa Altavilla, Fondazione Cariplo
Gillian Wijnhoven, European Cultural Foundation*
Jennifer van Vliet, European Cultural Foundation*
Joana Monteiro, Calouste Gulbenkian Foundation
Liana Varon Çınar, Third Sector Foundation of Turkey
Luigi Maruzzi, Fondazione Cariplo
Madalena Montez, Calouste Gulbenkian Foundation
Marta Rey-García, University of A Coruña (speaker)*
Nicole Smit, European Climate Foundation*
Patricia Frias, Fondazione Cariplo*
Ruth Barrera Segura, "la Caixa" Banking Foundation*
Tevfik Başak Ersen, Third Sector Foundation of Turkey

*Indicates participants who contributed to the content of the Learning Lab and to this publication

Other contributors

Deirdre Carthy, Wellcome Trust
Vesna Bajšanski-Agić, Mozaik Foundation

The EFC would also like to acknowledge once again the contribution of all participants of the 2013 Tiepolo Knowledge Sharing Meeting hosted by "la Caixa" Banking Foundation; the 2013 meeting on "Talent Management for Innovative and Impactful Philanthropy in the 21st Century", organised by the Rockefeller Foundation, in partnership with the Council on Foundations; and the contribution of the 2014 workshop organised by the Rockefeller Foundation and a number of partners at the 2014 WINGS Forum.

Notes to the Text

1. "Human resource management in Europe: Looking again at the issue of convergence", Christian Scholz and Stefanie Müller. Paper presented at the 11th International Human Resource Management Conference Birmingham, UK, 9-12 June 2010, Universität des Saarlandes.
2. Ibid.
3. Workforce of One: Revolutionizing Talent Management through Customization, Susan M. Cantrell and David Smith (Harvard Business Press, 2010).
4. "Future Jobs: How We Will Work in the Europe of the Future. Working world 2020 – A qualitative study of trends in cooperation with the Zunkunftsinstitut", Kirsten Brühl (Zukunftsinstitut GmbH), Whitepaper ADECCO Group, October 2010.
5. Building resilience for success, Gary Cooper, Jill Flint-Taylor and Michael Pearn, 2013.
6. "Organizational Culture and Leadership", Edgar H. Schein, 1992.

Learning Lab
Hosts

European Foundation Centre

As an association of foundations in Europe and globally, the EFC has a distinct perspective on foundations and the landscape they inhabit. Our "helicopter view" presents a unique opportunity for us as an organisation, hand in hand with our members, to reflect on, understand and in turn engage with and together enrich the environment of foundations. We do this by gathering and employing intelligence on our members, their activities, interests, and needs. We analyse and think through trends within the sector, but equally cast our eyes outwards, to explore the wider context; the issues that affect foundations and the issues they seek to address. Harnessing the potential of our vantage point and making a virtue of the great diversity to be found within our membership, the EFC serves its members, supporting them both individually and collectively to foster positive social change in Europe and beyond.

www.efc.be

Fondazione Cariplo

Fondazione Cariplo does not aim at taking the place of public or private organisations already active in the field nor to merely provide financial backing to them. Fondazione Cariplo is called upon to set its own objectives which reflect its scope and status as a private entity and which set its action apart from that of other players in the field.

The mission of Fondazione Cariplo is therefore to be a resource that helps social and civil organisations better serve their own community. The Foundation's primary vocation is supporting the organisations of civil society that represent the social infrastructures of our system. Its approach is based on the principle of subsidiarity.

In a nutshell, its mission, role and operational strategy contribute to outline the profile of a foundation which acts as an entity that anticipates emerging needs - or selects deep-seated yet still unmet needs - tries new solutions to respond more effectively and in a less costly manner to them, and ultimately makes its best endeavours to disseminate successful solutions.

www.fondazionecariplo.it