

# Leading Managers

J o s h B i r k h o l z



March 2021

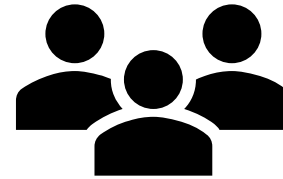
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# Leaders vs. Managers



## Leaders

- Set the vision and direction
- Provide guiding principles
- Model culture expectations
- Care deeply about the team
- Care deeply about the organization



## Managers

- Convert vision into action
- Provide decision making frameworks
- Model culture expectations
- Care deeply about the team
- Care deeply about the organization

# The Peter Principle:

“Good rule-followers get promoted by management until they become bad leaders.”

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**Is this true?**

# Actually, Yes.



Sales workers increased their chances of earning a promotion by about 14% each time they doubled their sales

Firms would prioritize “current job performance in promotion decisions at the expense of other observable characteristics that better predict managerial performance.”

Sales declined an average of 7.5% on teams led by managers who had doubled sales when they were just in charge of themselves.

*Promotions and the Peter Principle*, National Bureau of Economic Research, 2018

# What did predict managerial success?

## Collaboration

Measured by the “the number of colleagues with whom a worker shared credit on transactions” had increased sales by 30% for their teams.

# How does this apply to fundraising?

# The Business of Fundraising

*Although this may not be the case at your school, in the industry:*

Fundraising moved from a **solo-practitioner** model to a **distributed business** model during our lifetimes. In other words, it emerged as an industry or business.

As industries emerge, the pool of management talent is solo practitioners  
As a result, our first-generation leaders were mostly **the best fundraisers in the room.**

Now, a **workforce** who started when it was already established as a business, is **climbing to executive ranks.**

We are at a critical time in defining **what makes a great manager and leader** in the fundraising business.



# Collaboration predicts donor success

*“Improvements in donation variety increase the likelihood that the donor will make a subsequent donation, increase the donation amount, and reduce the sensitivity of donations to negative macroeconomic shocks.”*

In other words, **exposure to more of the organization** by collaborating across fundraisers, faculty, leadership and programs, is better for all.



Developing Donor Relationships:  
The Role of the Breadth of Giving. American Marketing Association, 2015

## What do collaborative managers do?

Value	Value all levels of employees – not just senior members
Feedback	Provide meaningful feedback in a constructive manner on a regular basis
Respect	Respect employees as individuals, in addition to the job they do.
Train	Invest in training for their team and themselves.
Provide	Provide genuine support (resources, encouragement, flexibility)
Praise	Praise and recognize employees (See also <i>Payoff</i> , by Dan Ariely)
Model	Walk the talk

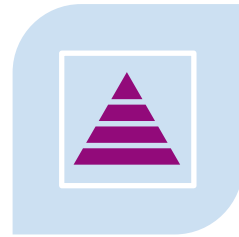
# The Fundraising Leader



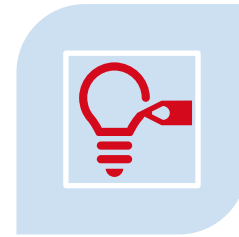
COMMITMENT  
TO CHARACTER



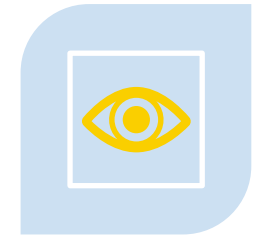
STUDENTS OF  
THE BUSINESS



SOLIDIFYING  
FUNDAMENTALS



PURSUING THE  
EDGE



MODELING  
EXCELLENCE

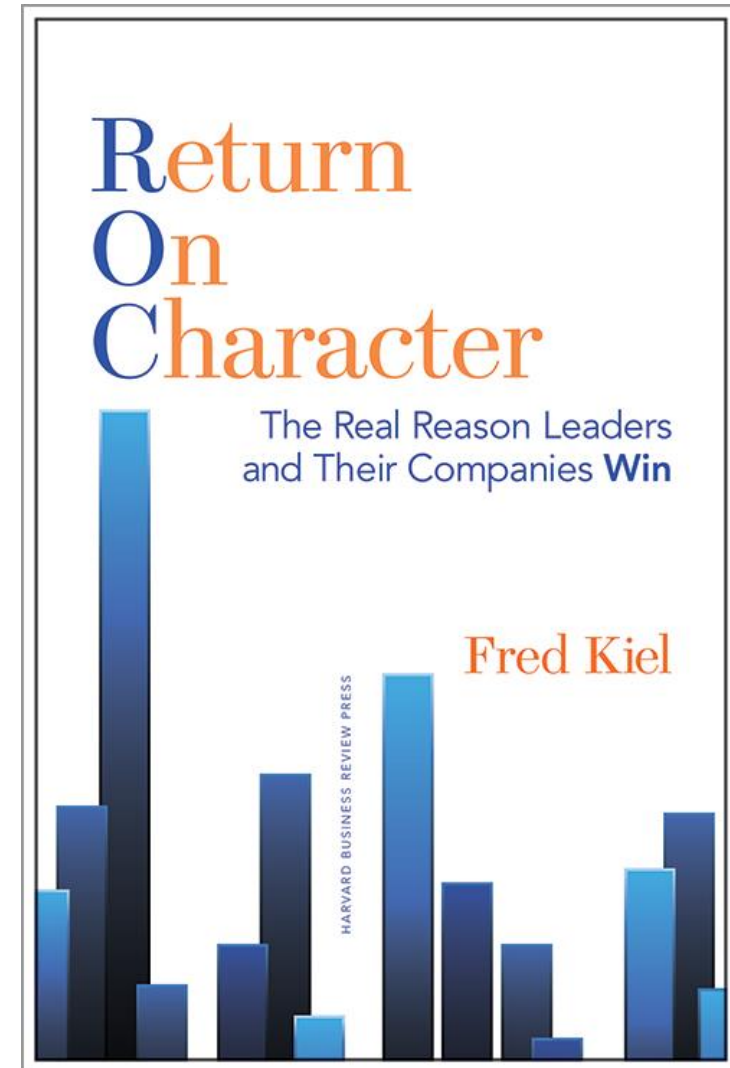
*The 21<sup>st</sup> Century Fundraiser: Empowering Philanthropy in a Changing World.*  
Birkholz & Lampi. Scheduled release Fall 2020.

# Commitment to Character

Defined by traits: Forgiveness, Compassion, Integrity, and Responsibility

Lead to:

- Workforce Engagement
- Talent Retention
- Results





# Be a Student of the Business

- Become a fundraising nerd
  - What are the biggest challenges in the industry?
  - What is around the corner?
  - How have others transformed their fundraising program?
  - Who can I meet next?
- Skills can be taught
- Domain knowledge comes from experience
- Motivation flows from character habits

# Solidifying Fundamentals

1

Conduct evaluations to set baselines

- Annual reviews
- 360 reviews
- Department or program assessments

2

Align resources to fundamentals remediation

3

Provide regular check-ins

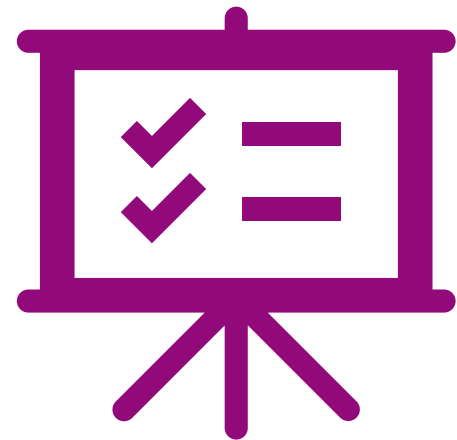
4

Re-evaluate periodically to measure change

# Your fundamentals should be grounded in guiding principles

Ray Dalio, the Heath brothers, the US Navy's K.I.S.S. system and countless others recommend guiding principles to scale management expectations.

Your guiding principles should encompass who you are and who you aspire to be. In everything we do, we should hold these principles up as the measure for fit.



## Example: BWF's Guiding Principles

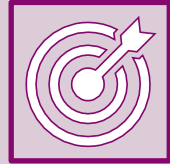
**Advance.** We are a mission-driven for-profit. All our work and our research should advance the charitable sector, advance our clients' success, and advance our ability to make lasting impact.

**Discover.** Our goal is to identify, align, or invent which practices are best for our clients to be successful. Our discovery of these next practices is collaborative with each other, with our clients, and with the sector.

**Thrive.** All BWF employees should commit to a thriving work environment where all people are valued. We will lift each other up through mistakes and support each other in failures.



# Pursuing the Edge

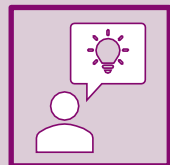


Commitment to continuous improvement

Lean / Toyota Kata  
Target condition? One next thing to reach it?



Innovation flows in forgiving work environments



Similar to guiding principles for your fundamentals, establish decision making rubrics for new ideas.

# Modeling Excellence



WHAT YOU SAY MATTERS.



WHAT YOU DO MATTERS MORE.

# The Lengthened Shadow



Ralph Waldo Emerson said, "An Institution is the lengthened shadow of one [person]."

When you become the boss, it is like there is a giant neon sign over your head wherever you go saying, "The Boss." ([www.manager-tools.com](http://www.manager-tools.com))

Workplace persuasion comes from exertion of role, expertise, or relationship. When you are a manager, it is difficult to persuade outside of role.

# The institution reflects the personality of its leader.

If the leader values compassion, the organization will begin to value compassion.

If the leader is driven by fear, the organization will respond to this fear with CYA language, blame, and gatekeeper dependence.

If the leader models excellence, the program will become excellent.



**To build the organization your mission and your donors deserve, focus on being the leader your mission and your donors deserve.**

**The organization will follow.**

# Discussion

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