Investing in nonprofit leadership development is a high-yielding, high-leverage strategy that can further the goals of any foundation. It is not a one-off, transactional proposition but a dynamic, iterative voyage.

As executive director of a foundation engaged in such a strategy, I’ve seen the benefits first-hand. The Levi Strauss Foundation is nearing the end of a five-year initiative called Pioneers in Justice, which supports five nonprofit leaders in our hometown of San Francisco who are shaping the next wave of social justice work by harnessing the power of networks. In June, we published a book-length case study, Pioneers in Justice: Building Networks and Movements for Social Change, by Heather McLeod Grant, on the initiative’s results to date.

We have learned much about how to invest in and support leadership networks as tools for transformative social change, and in recent months have had several conversations with foundation and nonprofit leaders on these themes. It’s encouraging to see peers exploring and championing leadership development among nonprofit executives as a powerful philanthropic tool.

However, this isn’t the case for all foundations. Trustees and donors generally are the real decision-makers in our institutions, but too often they aren’t steeped in the realities, norms and challenges of the social sector. Moreover, internal cultures within foundations – often guided by the calculus of logic models, anticipated outcomes and narrowly focused metrics – tend to be risk-averse. These cultures may repudiate leadership development as an “uncredentialed” approach.

Pioneers in Justice has begun to show that, while it doesn’t lend itself to strict, linear thinking, leadership development holds enormous potential to increase social impact on multiple levels of the larger systems we seek to transform. What follows are some tips on how to make the case among staffs and boards to embrace support for nonprofit leadership development, and how to build cultures within foundations that support this journey.

1. MAKE THE CASE FOR CHANGE MANAGEMENT

When tasked five years ago with developing a new strategy to reinvigorate our “hometown” philanthropy, the Levi Strauss Foundation eschewed the reputational or “civic” investment that represents the norm among corporate foundations. Instead, we gravitated to change management, specifically for our city’s venerable social justice sector. The San Francisco Bay Area is home to civil rights nonprofits that have been around for decades. Many of these were undergoing significant transition amid leadership transfers between Baby Boomers and a new cadre of ethnically diverse Gen Xers. While traditional ways of operating were still effective, the digital age had ushered in new tools and approaches that these legacy organizations had not yet fully embraced (and weren’t sure how to). For instance, many found it impossible to distill the intricate issues they covered into Twitter’s 140-character limit.

Deeply connected to their communities, this new cadre of leaders recognized that new tactics, tools and
strategies were needed to take their organizations and movements into the 21st century. Amid these tectonic generational shifts, they were intent to find ways to navigate more turbulent waters – influenced by an economic recession, the mounting pace of change and disruptive technologies – and thrive.

Pioneers in Justice represents a modest effort to help transform a specific sector in one city by supporting a group of pioneering leaders. However, one would be hard-pressed to find any city or sector not grappling with the same challenges faced by nonprofits in San Francisco. Whether designing place-based initiatives, driving change on specific issues or working across issue “silos,” foundations can have a tremendous impact by supporting nonprofit leaders to adapt to the current environment. It all starts with the recognition that change management is a vital skill of the day, something that trustees from every walk of life can readily grasp.

2. EXPAND THE TOOLKIT
From the outset, it was clear that grantmaking with a tangible list of deliverables tied to fixed timelines would not pose a good fit for Pioneers in Justice. Rather, it would be flexible and experimental. Helping our grantees successfully navigate challenging contours of change meant offering support not available elsewhere – and ultimately broadening our toolkit beyond grantmaking.

Of course, grants served as a vital starting point and indeed the Pioneers cited sustained financial support as vital in securing their boards’ buy-in for their change agendas. Grants focused on capacity building for social media and experiments in new forms of collaboration – reaching across sector, field, issue and constituency and using both trusted and unlikely allies to drive change. We also hosted bimonthly “Pioneers Forums,” half-day sessions dedicated to peer-to-peer learning using case studies, trainings and expert speakers. Amid the rigors of daily responsibilities, it’s rare for nonprofit executive directors to find space to connect with peers, engage in frank discussions and “peer around the corner” to anticipate broader challenges facing the field.

The Levi Strauss Foundation aimed to use all the leadership tools at our disposal: acting as convener, organizer, relationship broker, listener, policy promoter and knowledge disseminator. As Tessie Guillermo, CEO of ZeroDivide, a terrific partner in building the social media and communications prowess of the Pioneers, perceptively points out: “This is part of a movement in philanthropy from traditional grantmaking to mobilizing a broader toolkit to drive change-making.”

3. INVEST IN MULTIPLE LAYERS OF AN ORGANIZATION
Sparking change demands commitment and due consideration at different levels. While an executive director is the face of change in an organization, support from the board and staff capacity are critical factors for success. Thus, we offered opportunities for support across the organizational chart.

For instance, one year into the initiative, we partnered with Rockwood Leadership Institute on a collaborative retreat involving a board member, executive and senior staff from each organization (a departure from the norm in which one person from each group attends), encouraging shared leadership and collaboration in the long run. We also supported ZeroDivide in conducting a workshop series for communications and technology staff responsible for implementing the leaders’ visions on social media.

This is a decidedly nonlinear approach, and striking the right balance between these layers is more art than science. But taking a multi-layered approach has a massive upside: it allows funders to identify the many different points of leverage where we may provide support.

4. BROADEN THE TIME HORIZON
As Bob Haas, president emeritus of our foundation, says: “One of the most difficult lessons in philanthropy is to be patient and stay committed, especially when the going gets tough. Real change is hard. It takes time. We need to have the stomach to see things through and not give up prematurely on causes that mean the most to us.”

With Pioneers in Justice, it was a new practice to focus extensively on five organizations. We quickly realized we needed five years to show that these organizations’ embrace of technology and networked collaboration could produce fundamental change. We’ve learned that long-term commitment, grounded in a shared set of values and rigorous goal setting, has its rewards. Commitment fosters honesty and intimacy. In turn,
this fuels risk-taking and more expansive ambitions. Here are a few examples from the Pioneers in Justice:

- **Lawyers Committee for Civil Rights**, with its deep roots in the city’s African American community and legacy of pro bono legal aid, is bringing its core services directly to low-income neighborhoods rather than having clients trek downtown to legal firms.

- **Asian Americans Advancing Justice – Asian Law Caucus** is leaping into the digital space to engage Asian Americans on challenging immigration issues, aiming to debunk mythologies about “good” and “bad” immigrants to drive broader support for reform.

- **National Center for Lesbian Rights** and **Equal Rights Advocates** have forged ties with perhaps “unlikely” allies, including the sheriff’s department, public defender’s office and district attorney’s office, for a campaign to help formerly incarcerated women. Their Let Her Work project contributed to recent policy change to reduce barriers to employment for these women.

- **American Civil Liberties Union – Northern California** has greatly expanded its cornerstone “know your rights” outreach among regions and groups identified as most at-risk for civil liberties violations. The organization made inroads into the chronically underserved Central Valley of California and reached Latinos through a popular new Spanish-language website and a bold national campaign to bring attention to racial profiling.

- **Chinese for Affirmative Action** is serving as a “backbone” for a dynamic new network, Asian Americans for Civil Rights and Equality (AACRE). AACRE offers shared back-office capabilities and spawns new kinds of collaboration, for instance, between marriage equality and prisoner reentry advocates.

Each of these accomplishments reflects decisive moves to expand the mission of the organization (and perhaps what it means to be an identity-based organization) to drive inclusivity and embrace marginalized groups. These visions cannot be cultivated overnight, nor carried out in one-year grant cycles.

### 5. Bring Worlds Together

Meaningful philanthropy requires deft, savvy and tenacious leaders with the gumption to instigate social change. At the Levi Strauss Foundation, we’ve found there is no substitute for direct connections between board members (in our case, corporate leaders and family shareholders) and community partners. Through site visits and board sessions, we aim to spur conversations about the challenges of change management and the standout leadership qualities of our partners.

We also underscore the long-term “life-cycle” of change, warts and all. Our board understands that the “issues and events of our day” often are defined by bad policies and egregious rights violations. As the U.S. civil rights movement illustrates, these threats may instigate a “perfect storm” of change if community leaders take advantage of opportunities that present themselves. We know it is not always possible to predict these circumstances or foster this spark of change, but we embrace our role in providing “patient capital” and helping prepare these partners to be ready when these moments arise.

For foundations, the journey to support nonprofit leadership may not be linear or free of bumps. But it comes with few risks and real rewards, especially over the long haul. Finally, it’s not an “all or nothing” proposition: feel free to take any or all of the kernels of insight shared here and apply them to enhance your journey.

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“What you see is what you get.” This phrase is often used to describe a person who is very straightforward, but it can have another meaning – what you are able to see, what you choose to notice, affects what you can accomplish.

As consultants at TCC Group, where we work with funders of all types to provide strategy, capacity building and evaluation services, we often see this second meaning at work. The way a funder defines a problem, a field, an issue or a set of stakeholders can have a powerful effect on the impact it can achieve. And while situations vary, there are better and worse ways of seeing.

Consider the term “capacity building.” In the social sector, it has been lifted up as a panacea and mocked as a placebo. But the discussion often fails to make a fundamental distinction between capacity (skills, knowledge and relationships) and capacity building (the process of cultivating those skills, knowledge and relationships). As a result, people focus on the processes and logistics of capacity building (the how) without identifying clearly what capacities need to be built and who needs to build them.

In a new paper, “Capacity Building 3.0: How to Strengthen the Social Ecosystem,” we and our TCC Group colleagues map the evolution of capacity building over the last few decades, arguing that in today’s environment, all the actors in the social ecosystem must pay attention to both their own capacity and the capacity of other stakeholders in the system – including funders. In an ecosystem context, capacity means not just skills and knowledge but also relationships. And effective relationships start with a clear sense of who’s playing what role.

Today’s environment requires significant adaptive capacity: the ability to learn from the environment and use that information to update one’s strategies. It also requires relational capacity: the ability to understand your ecosystem and to structure yourself to be adaptive as it evolves. Relational capacity begins with the vision to see one’s organization amidst the other organizations, actors and systems to which it relates. No longer is it enough to design strategies and build capacity as far as the walls of one’s own organization. Today’s complex, multidimensional challenges require more effective collaboration within and across sectors.

This is especially true for funders seeking to build the capacity of nonprofit organizations. Too often, when funders consider capacity building, they focus on the capacity of grantee organizations. On the surface, this is laudable. But it does a disservice to the funders themselves, and their grantees. The trouble starts with seeing the relationship as one-way – funders helping nonprofits build their capacity. This limited vision doesn’t allow the funders to identify and build their own capacity as partners, convener, advocates, brokers, network weavers and influencers. If they allow themselves to be defined as just “the bank,” funders won’t be able to see what capacities they themselves need to build, or how they can play a constructive role in relation to nonprofits and other actors, such as government bodies and companies. What’s needed is a shift from best-intentioned, yet incomplete, diagnostics of nonprofits, to multidirectional capacity analysis and knowledge exchange for mutual benefit.