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# Toward a High-Performance Culture: From Strategy to Strategic Human Capital at The Rhode Island Foundation

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*Keywords:* Community foundation, strategic planning, talent development

## Introduction

On April 11, 2012, Neil Steinberg, president and chief executive officer of the The Rhode Island Foundation, announced the first two winners of the Rhode Island Innovation Fellowship. How the foundation arrived at that moment – embracing a program that would provide individuals up to \$300,000 for up to three years for ideas that could dramatically improve life in Rhode Island, a program that has as its motto “not to try is to fail” – can be traced to the foundation’s strategic-planning process, which began just three years earlier.

That process, which started in April 2009 and would serve as a model for cross-functional teamwork, led to a clear focus and strategic priorities for 2010-2014. Foundation leadership recognized early on, however, that implementing the plan, which was approved by the board of directors in December 2009, would require a more proactive, high-performance culture than had ever been in place at the foundation.

It is said that luck favors the prepared mind. As soon as the ink was dry on the strategic plan she had played a leadership role in crafting, the foundation’s special projects officer, Jessica David (now vice president for strategy, planning, and special projects), seized the opportunity to apply to the Talent Initiative, a new organizational fellowship dedicated to building capacity in the nonprofit sector through strong human-capital management. The Rhode Island Foundation

## Key Points

- The Rhode Island Foundation successfully applied to be part of the first cohort of the Talent Initiative, enabling the foundation to engage in human resources planning in support of its strategic plan.
- The strategic plan called for a shift from responsive to proactive grantmaking, fundraising, and leadership, which required different staff roles and skills.
- The Talent Initiative focused on three areas: talent, systems, and culture.
- The changes that were implemented included adoption of a new performance review system, a road map for professional development, and a streamlined approach to operations and technology support.
- Initial results include demonstrated increased flexibility in responding to opportunities and increased grantee perception of the foundation as “approachable.”

was one of six nonprofit organizations selected through a request-for-proposals process for this pilot program. Launched in October 2010, the Talent Initiative led to the creation of a strategic human-capital plan, which serves as a companion blueprint to the foundation’s strategic plan.<sup>1</sup>

<sup>1</sup> Foundation leadership was motivated to institute cultural change in order to implement strategies outlined in the strategic plan; the Talent Initiative, with its built-in supports including a consultant assigned to facilitate and guide the process, enabled change to happen more rapidly than would otherwise have occurred.

With its concentration on three key areas – talent, systems, and culture – the strategic human-capital plan has bolstered the implementation of the foundation’s strategic plan. More important, however, it has enabled the foundation to embrace the dual nature of the community foundation mission: to address the long-term needs of our communities through careful stewardship of resources and investments in system change and to be visionary, proactive, and immediately responsive to the issues of the day.

*In its role as the largest and most comprehensive funder of nonprofit organizations in the state, the foundation had a responsibility to continue to grow and change in order to meet the needs of Rhode Islanders.*

### Setting Foundation Strategy

To fully appreciate the importance of the strategic human-capital plan to the foundation’s increased efficiency and effectiveness, it’s important to understand why and how the foundation developed its five-year strategy.

The Rhode Island Foundation is one of the oldest community foundations in the United States and ranks 25th<sup>2</sup> by asset size. Established in 1916 and modeled closely after the Cleveland Foundation, it was originally part of Rhode Island Hospital Trust Bank; in 1984 the parallel corporation, the Rhode Island Community Foundation, was established. Ten years later, the foundation began to more actively raise money and work to increase its visibility, although most funds came from bequests until the mid-2000s.

The period of the late 1990s through 2008, when Neil Steinberg became the foundation’s fourth

president and CEO, saw tremendous growth largely through investment performance. In 1999, the foundation terminated the original trust and began operating solely in corporate form.

Steinberg’s background as a community leader, banker, and leader of the largest fundraising campaign in the history of Brown University, his alma mater, positioned him to lead The Rhode Island Foundation into a new era. Within seven months of his appointment, with the encouragement of the board and staff, he charged a small group of employees to embark on a strategic-planning process.

Steinberg believed that in its role as the largest and most comprehensive funder of nonprofit organizations in the state, the foundation had a responsibility to continue to grow and change in order to meet the needs of Rhode Islanders. He also believed that despite its responsive rather than proactive culture, the small organization of about 40 employees overseen by a board of 14 community leaders functioned at a high level. He emphasized to directors and staff that the strategic-planning process was part of a “good to great” exercise that would take the foundation to the next level. Additionally, recognizing that at a time when needs in Rhode Island<sup>3</sup> were growing disproportionately to available resources from the foundation and the state’s two other major funders, United Way of Rhode Island and the Champlin Foundations, he saw that a clear strategy would free the foundation from being all things to all people, providing both grantmaking staff and potential grantees with guidance on the foundation’s priorities and direction.

The strategic-planning process itself mobilized and energized the 26 staff members who served on cross-departmental, cross-functional working teams – many employees had never done this kind of collaborative planning. A strategic-plan steering committee consisting of foundation directors and senior staff also participated in the process, which was facilitated by consultant Michael Daigneault. External feedback helped to

<sup>2</sup> See 2011 Columbus Survey of Community Foundations, <http://cfinsights.org/Knowledge/ViewArticle/ArticleId/21/2011-Columbus-Survey-Results.aspx>

<sup>3</sup> The economic downturn of late 2008 hit Rhode Island harder than any other New England state; the state’s jobless rate has hovered between 10 percent and 12 percent.

inform the process through a stakeholder survey conducted by the Center for Effective Philanthropy (CEP).<sup>4</sup> The stakeholder assessment report provided critical baseline perception data for the foundation, as did previous CEP grantee perception reports.<sup>5</sup>

In October 2009, at its annual retreat, the board of directors crafted a meta-strategy statement:

Building on and leveraging our historic legacy of public trust, The Rhode Island Foundation will change from a predominantly reactive philanthropic model to a more proactive philanthropic and community leadership model. The foundation is committed to becoming an inspirational, transformative, knowledgeable, high-impact change agent to meet the needs of Rhode Island.

Further, the board approved the development of a formal strategic plan built around four strategic priorities:

1. Two signature initiatives, in public education and primary health care: Through grants, policy advocacy, fundraising, and leadership activities, the foundation aims to reduce the state's dropout rate and to increase quality of and access to primary care.
2. Proactive fundraising to inspire philanthropy and build permanent philanthropic capital for the state, to include fundraising for signature initiatives, fundraising for community leadership initiatives and operations, and higher levels of engagement with donors and prospects.
3. Within the foundation's six sector areas,<sup>6</sup> focus grantmaking to maximize impact and streamline grantmaking to more quickly and effectively respond to the needs of the state's nonprofit organizations.
4. Evaluate, measure, learn from, and share the

impact of foundation investments in the community and efforts across all function areas.

Finally, following the approval of the strategic plan and the subsequent approval of an implementation plan that would serve as the scaffolding for detailed annual work plans, the board approved a new mission statement in March 2010: "The Rhode Island Foundation is a proactive community and philanthropic leader dedicated to meeting the needs of the people of Rhode Island."

To advance this mission, the foundation seeks to:

- actively inspire philanthropy and increase permanent resources for the state of Rhode Island;
- create maximum positive impact through grantmaking, outreach, and other investments in the community;
- provide leadership and a forum for dialogue on critical community issues; and
- collaborate with individual, business, government, and community partners to catalyze positive change and develop solutions to long-standing challenges.

### Recognizing the Power of Talent

The Talent Initiative (TI), a program of AchieveMission,<sup>7</sup> came to the foundation's attention in the spring of 2010. Offering the opportunity to help organizations make the best use of human capital while they go through growth spurts or transformational initiatives, the pilot program<sup>8</sup> seemed tailor-made to the foundation as it was poised to implement its new strategy and priorities. TI was created "to help nonprofits develop their capacity for human capital management so that they will ultimately be better positioned to seize opportunities for increasing program scale, results, and impact."<sup>9</sup>

<sup>4</sup> [www.effectivephilanthropy.org](http://www.effectivephilanthropy.org)

<sup>5</sup> The CEP stakeholder assessment report has not been repeated since 2009, but the foundation is in a rebranding process that incorporates stakeholder input through surveys and focus groups.

<sup>6</sup> Arts and culture, community and economic development, education, environment, health, and human services.

<sup>7</sup> [www.achievemission.org](http://www.achievemission.org)

<sup>8</sup> [Commongood Careers](http://www.commongoodcareers.org) and AchieveMission, supported by a partnership with the White House and seed money from foundations including Kellogg, Kresge, and Skoll, established the Talent Initiative in 2010.

<sup>9</sup> <http://www.idealists.org/view/nonprofit/Kw965gC8JBfP/>; see also <http://www.achievemission.org/TalentInitiative.html>

*Given changes in leadership, our new strategy, and the challenges of our external environment, the foundation was at a classic inflection point and saw the importance of managing its human capital differently to succeed in the future.*

TI's stated goals were "to help high-potential nonprofits: (1) establish an organization-wide philosophy about the role and importance of human capital; (2) evaluate all areas of human capital management against the organization's strategic plan; (3) develop a comprehensive human capital plan for leveraging world-class management practices and addressing areas in need of improvement; and (4) build the internal capacity to implement that plan over time. TI emphasized the importance of recruiting sufficient numbers of talented individuals, positioning them for success by utilizing proven management systems, and purposefully aligning organizational cultures with strategic goals."<sup>10</sup> The Rhode Island Foundation was the only foundation to participate in the TI's first cohort.

TI estimated the cost of providing the strategic human-capital plan at \$150,000 per organization. The foundation contributed a \$50,000 participation fee, which entitled it to assessment via the Core Capacity Assessment Tool, strategic human-capital planning, and capacity building. Edith Buhs, the consultant assigned to the foundation by TI, guided all activities. Buhs's background includes 20 years of experience in organizational development at City Year, Jumpstart, and Citizen Schools, as well as consulting experience.

<sup>10</sup> <http://www.idealists.org/view/nonprofit/Kw965gC8JBFp/>; see also <http://www.achievethecore.org/TalentInitiative/Services.html>

The foundation's TI application stated:

As a result of the changes over the past few years, our organization has learned several valuable lessons, and we are poised to take advantage of the opportunity provided by the Talent Initiative. We know that our success is ultimately determined by organizational culture and practices. Cultural change requires intentional, deliberate, and ongoing thought and practice. Institutionally, the foundation is determined to strike the right balance: between how we are doing and what we are doing, personal responsibility and teamwork, and the need to be both disciplined and focused and opportunistic. In order to maintain this balance and remain aligned with our institutional strategy, we recognize the importance of having the best people in the right positions and providing them the direction and supports they need to do their jobs well.

Given changes in leadership, our new strategy, and the challenges of our external environment, the foundation was at a classic inflection point and saw the importance of managing its human capital differently to succeed in the future. The foundation was committed to making necessary changes; in fact, several were already under way. There were significant strengths to build upon, but further investments were needed.

The foundation was firmly established as a mission-driven organization. To complement our long history as a force for philanthropy in Rhode Island, the foundation's new strategy provided focus and a renewed sense of urgency. Staff members were smart, competent, engaged, and passionate. They brought a diversity of backgrounds, experience, and perspectives to our work. The foundation made a substantial investment in every employee through competitive salary and benefit packages and ongoing professional development opportunities, and we had recently implemented an annual performance assessment and merit-based pay increases.

In order to maximize our human capital in support of our mission, however, it would be necessary to address several challenges. First, our organizational culture had become stagnant. As

a complex organization with multiple constituencies, it was often difficult to connect the dots between functions. Employees and departments tended to function independently, and episodes of poor internal coordination and communication led to pockets of negativity and cynicism. Our goal was to develop a strong team culture where the whole is truly greater than the sum of the parts. Second, in order to transform our organizational culture, it would be necessary to establish a cohesive, high-performing leadership team. Individual team members were highly competent and possessed a diversity of skills, experience, and strengths, but the team had changed its composition a number of times and had not coalesced. Third, the foundation did not offer many opportunities for internal advancement. As a result, we were not always successful in retaining top talent. We wished to find ways of motivating high-performing employees through intrinsic and extrinsic rewards and growing leadership within the organization.

Successful implementation of the foundation's strategic plan depended in large part on our human-capital management. Having been through a great deal of organizational change in five years, we had an ambitious strategy, a sound business plan, and strong leadership, but we knew actualizing the plan required a high-performing, competent team: the best people in the right positions with the right supports.

Once the foundation had been accepted into the Talent Initiative,<sup>11</sup> the work began in earnest. The TI framework entailed three phases:

1. Organizational assessment: an audit of current human-capital management functions and human-capital elements of our strategic plan.
2. Strategic human-capital planning: dedicated coaching and support to develop detailed strategies for addressing high-priority needs identified by the assessment process.

3. Internal capacity development: embedded consulting and support to build capacity around the strategies.

*Successful implementation of the foundation's strategic plan depended in large part on our human-capital management.*

### Phase One: Organizational Assessment

As part of phase one, staff participated in two surveys.

The Core Capacity Assessment Tool (CCAT) is a well-established assessment tool developed by the TCC group (see <http://www.tccgrp.com>), an organization whose mission is to develop strategies and programs that enhance the efficiency and effectiveness of nonprofit organizations, philanthropies, and corporate citizenship programs to achieve social impact. TI elected to use the CCAT to provide insight into the perspectives of the foundation's employees regarding the organization's various functional elements of human capacity. The CCAT's diagnostic survey focuses on what it defines as the four key areas of capacity: management, leadership, adaptive, and technical. One hundred percent of employees responded to the survey.

Foundation staff had also recently participated in the *Providence Business News* annual Best Places to Work survey assessing six areas: leadership and planning, corporate culture and communications, role satisfaction, work environment, relationship with supervisor, and training and development. These results were incorporated into the Talent Initiative.

In addition to these two surveys, TI completed a comprehensive audit of the human-capital function using a 64-point review of human-capital management from planning and recruiting through training, compensating, motivating, managing, developing, and retaining employees.

<sup>11</sup> Other organizations in the initial cohort were Breakthrough Collaborative, BUILD, Center for Employment Opportunities, Nonprofit Finance Fund, Peer Health Exchange, and Root Capital.



*The broad assessment of the foundation provided by the tools, interviews, and meetings noted above yielded a consistent series of findings related to the essential components of nonprofit human-resource management: talent, systems and culture.*

Complementing the use of these three tools in the Assessment Phase, there were numerous face-to-face opportunities for staff input:

- Edith Buhs conducted interviews with the eight members of the leadership team and 16 other employees.
- Three presentations were made at all-staff meetings with a facilitated series of follow-up focus groups regarding the Best Places to Work survey responses.
- Following the distribution of an assessment report at the conclusion of the first phase, all staff members were invited to offer feedback at lunch with Buhs and Neil Steinberg.
- A series of planning meetings on internal communication, staff development, recognition, and performance management followed, to which all staff were invited.
- Finally, throughout the process, the leadership team met four times to review findings, explore themes, and select areas of focus.

In all, even though these meetings and feedback sessions fell in the busiest quarter of the year, 33 employees (80 percent of the 41-person staff) participated in at least one of these opportunities, and at least 14 attended two or more.

The broad assessment of the foundation provided by the tools, interviews, and meetings noted above yielded a consistent series of findings, summarized below according to the three essential components of nonprofit human-capital management as defined by TI: talent (the ability to leverage diverse leadership); systems (the tools, practices, methods, and technologies that ensure that the talent is effectively recruited, managed, developed, advanced, and retained); and culture (the collective nature of the team that facilitates the achievement of strategic goals).

#### *Talent*

- **Technical skills:** Staff rated strongly the foundation's ability to manage its finances and facilities as well as the delivery of its two basic services (fundraising and grantmaking) and support functions (technology and communications).
- **Management team capacity:** Staff members believed in the organizational vision but had less confidence in the senior management team as a whole to share that vision, inspire staff and motivate them toward it, and then follow through on plans. There was a sense that decision-making was not inclusive, leaders were not open to input, and that wider leadership was not cultivated.
- **Strategic human capital:** At the time the surveys were conducted, the foundation had a tactical human resources function and not a strategic talent-management function for developing the organization's human capital.

#### *Systems*

- **Strategic plan:** Staff were excited by the foundation's new strategic vision, but several were not sure how their work connected to the larger whole.
- **Tactical human resources:** While solid human resources systems were in place and a sophisticated performance review system was in the process of being rolled out, there was a sense that the effectiveness of the human resources function was not at the level it should be.

FIGURE 1: Cycle Of Success At The Rhode Island Foundation



- Professional development and succession plans: There was a sense that succession planning and professional development were more ad-hoc than strategic.

### Culture

Staff expressed a belief in the foundation's mission and pride in being part of the foundation. There was strong support for the changes represented in the strategic plan. There was a desire for more interaction across departments and more utilization of the expertise of seasoned employees, as well as their leadership ability. There was also a sense that while the foundation was making significant investments in its physical and technical capacity, it also must help people adapt, change behavioral patterns, and build a stronger staff community. Finally, many staff felt that they learned about decisions late in the process; they did not understand the reasons behind decisions and were not involved when the decisions directly affected their work. There was a sense that "information is power" and there was a perceived lack of transparency about decisions and policies.

### Phase Two: Strategic Human-Capital Planning

Once we had a good handle on our strengths and opportunities, the foundation embarked on

the creation of a strategic human-capital plan, intended as the starting point of a "living document" for the foundation to update and adapt over time. The plan covered 18 months, or six fiscal quarters, between January 2011 and June 2012. Implementation was designed to be coordinated with the foundation's strategic plan and existing work plans so not to overburden staff and leadership.

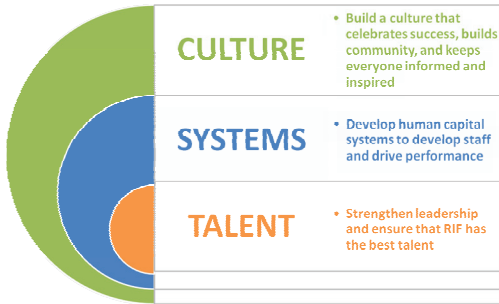
This plan had a three-fold purpose:

- To articulate a vision for what the foundation's human-capital function could accomplish.
- To focus the board, leadership, and staff on strategies designed to achieve that vision.
- To provide a rough plan of action steps for achieving various goals supporting those strategies.

The vision statement (see Figure 1) we crafted answered this question: If we maximized our people, how would it change the foundation?



CHART 1: How are we going to achieve this vision?



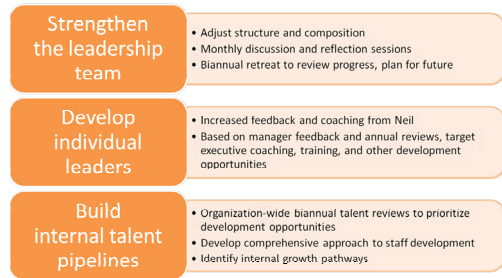
### The Rhode Island Foundation Our Vision

The Rhode Island Foundation recruits and retains the best available talent. Employees are passionate, inspired, and motivated. They recognize how their actions, behaviors, and words are perceived by and affect others. Across the organization, people collaborate, interact, and communicate. There is trust and there are strong connections between and among all departments and employees, resulting in a palpable “cushion of goodwill.” Employees recognize and appreciate diverse learning and working styles. Everyone has the information they need to do their jobs well. Goals are shared. Whenever possible, employees have input into the decisions that affect them, and decisions are communicated in a timely and transparent manner.

The organization is forward leaning and nimble, able to anticipate and respond to external challenges and opportunities. The whole is greater than the sum of the parts, and everyone understands and prioritizes the “big picture.” People are valued for the jobs they do, more than the title they hold.

Results matter. Everyone is responsible for their performance and the collective performance of the organization. There are clear expectations and accountability for every role. The staff is a team of high performers who take pride in the mastery of their roles. Performance management is integrated into daily life at the Foundation, with active and transparent feedback and coaching. The Foundation recognizes and rewards high performance, teamwork, and positive attitude.

CHART 2: Talent Strategies



At the same time, it is okay to make mistakes, as long as the organization learns from them. Genuine reflection leads to better problem solving. Employees and their managers share responsibility for the intentional development of all employees. As a result, the Foundation will constantly improve.

Based on this clear vision of a vibrant, effective, and powerful organization, the plan focuses on six strategies:

1. Develop the capacity of the foundation’s senior leaders as a team and as individuals.
2. Ensure that the foundation has the best possible talent to implement its mission.
3. Improve systems and practices for evaluating and managing staff performance.
4. Improve systems and practices for developing individual staff members to better meet organizational needs.
5. Strengthen internal communication.
6. Establish new rituals for recognizing success and building community.

Charts 1-4 visually depict the strategies outlined below for achieving the foundation's goals in the three broad areas of talents, systems, and culture.

CHART 3: Systems Strategies

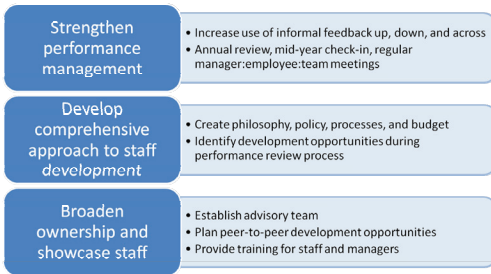


CHART 4: Culture Strategies



*Talent*

*Develop the leadership team and individual leaders.* Members of the leadership team must see themselves as leaders and models of change and build a culture that supports ongoing improvement. Skills building, vision clarification, reflection, and concentrated team building will help senior foundation staff to evolve into a true leadership team that motivates and aligns employees with the organization’s strategy.

*Develop internal talent pipelines.* Based on Jim Collins’s assertion that “greatness flows first and foremost from having the right people in the key seats” (Collins, 2005, p. 14), achieving the foundation’s mission and delivering on its strategy will require every member of the staff to contribute his or her best work, to be skilled collaborators, and to always have the best interests of the whole foundation in mind. The foundation must recruit, hire, develop, and retain the best possible talent in the right positions – those who are committed to the foundation’s mission, skilled in their functional areas, self-motivated, and team players who can adapt to the organization’s evolving needs and changes. As the needs of the state change, the environment shifts, and technology allows for ever more efficient ways of accomplishing tasks, the foundation must continuously assess its talent and make changes when necessary.

To that end, the foundation instituted a formal performance-review system, Success Factors, which includes a goal plan and metrics on progress toward goals for each staff member. Managers meet at least every quarter with all direct reports to assess performance. The foundation’s

leadership team also reviews the entire staff semi-annually on a talent grid that includes performance and potential. While not all staff turnover can be attributed to the initiative, since TI began the foundation has seen about a 15 percent turnover in staff – including members of the grants, development, human resources, and communications departments.

*Systems*

*Strengthen performance management by building managerial focus and habits, employee understanding, and initiative, and by aligning organizational systems.* The foundation will embrace a high-performing culture that values results and where processes and outcomes are continually improved. Achieving this type of environment will require a more disciplined focus on and approach to managing performance, encompassing clarification of goals, responsibilities, and expectations; ongoing feedback; and self-reflection. Innovation and process improvement should bubble up consistently from all parts of the organization.

*Develop a comprehensive approach to staff development.* The objective of staff development at The Rhode Island Foundation therefore is three-fold:

1. Generate a pipeline of talent that can take on more responsibilities within the organization (and eventually be promoted when positions open up, especially as senior leaders).
2. Provide challenges and opportunities for high-potential employees to ensure they are motivated and committed to growing with the organization.

3. Build the skills of every employee leading to better performance and greater flexibility to respond to a changing environment. Development opportunities in the form of on-the-job experiences (stretch assignments, project leadership, growth in responsibilities) supported by consistent coaching and feedback from a manager or a mentor will require discipline on the part of both managers and employees.

*A detailed road map for implementation accompanied the strategic human-capital plan. For each strategy, specific action steps were outlined and assigned to staff members.*

#### Culture

*Strengthen internal communications.* Some staff felt unsure of their role in the strategic plan, others felt decisions that impact their work could land in their lap with no warning, and still others were unaware of key organizational successes. Communication at the foundation entails inspiring and motivating staff, connecting day-to-day behaviors with large-scale impact, and telling stories that connect staff to their passion for the foundation and their jobs.

*Celebrate achievement and build the staff community.* Increasing both the frequency and quality of individual appreciation and constructive feedback opportunities will result in greater staff satisfaction and performance. Recognition can take many forms: public praise, private appreciation, a token gift, end-of-year bonus, additional time off, new assignments, or greater authority and discretion in one's work. Building a stronger community among the staff goes beyond the foundation of mutual respect and shared purpose. It includes personal insight into each other's work and

motivations, celebrating success, and developing a cushion of goodwill to buoy collaboration and esprit de corps.

#### Implementation

A detailed road map for implementation accompanied the strategic human-capital plan. For each strategy, specific action steps were outlined and assigned to staff members. A sample of the 30 action steps includes:

- holding bi-annual leadership team retreats;
- executive coaching for leadership-team members;
- development of internal succession pathways and creating development plans to ready staff for their next position or increased leadership responsibility at the foundation;
- alignment of organizational systems and calendar around work planning and performance management;
- codification of best practices and guidelines for internal communications; and
- creation of opportunities to recognize and celebrate achievement.

#### Phase Three: Implementation Begins

It was clear that the success of the strategic human-capital plan would require commitment, input, and support from every employee at The Rhode Island Foundation. The leadership team and individual managers were charged with taking the lead by embodying the Talent Initiative vision and strategies in their everyday work. Employees were asked to take on leading or supporting roles related to specific strategies. The board endorsed the plan and has been periodically updated on progress toward the stated goals.

#### *Tradition to Innovation: Embracing a High-Performance Culture*

TI required a significant commitment of human and financial resources. It required us to think and work differently. Just as the implementation

of the foundation's strategic plan has proved to be at times exhilarating, at times challenging, and at times surprising, so too has actualizing the strategic human-capital plan provided a number of twists and turns and moments of discovery.

The implementation of both plans has been well integrated and coordinated rather than proceeding on parallel tracks, shifting between the 30,000-foot view and the view from the ground. Siloed approaches and task-oriented management are gradually becoming a thing of the past, and a number of significant changes have been instituted at the foundation.

Establishing the position of vice president for strategy, planning, and special projects was, in and of itself, a positive step toward connecting the dots and helping employees see the interdependence of every department and function area and how that interdependence benefits Rhode Island. This increased awareness has led to several cross-functionally driven projects, the Rhode Island Innovation Fellowship among them.

#### *Early Successes and Lessons Learned*

One of the most significant takeaways from implementing the strategic human-capital plan has been the importance of keeping employees engaged. Three staff teams, focusing on internal communications, staff development, and community building, brought together more than 25 staff members who tackled the work of translating the plan into action.

The most dramatic change at the juncture of operations, systems, and performance has been the creation of a new technology and operations team. The position of vice president for technology and operations was created and the director of technology was promoted into this position. The new team pulled staff from development, grant programs, finance, and technology; all are now cross-trained for maximum efficiency in service delivery and technology and operations support for each foundation department.

"Tech & Ops" is a good example of the whole becoming greater than the sum of its parts. The

group is multigenerational and multitalented. The vice president has molded her operation into a flexible, high-performing team that can move easily from events support or list generation to database management or intricate video editing. The foundation is capitalizing on the vice president's management skills. In turn, Tech & Ops team members feel pride in their new roles, which in many cases have opened up new career opportunities. The scaffolding of the strategic human-capital plan made it possible to build Tech & Ops.

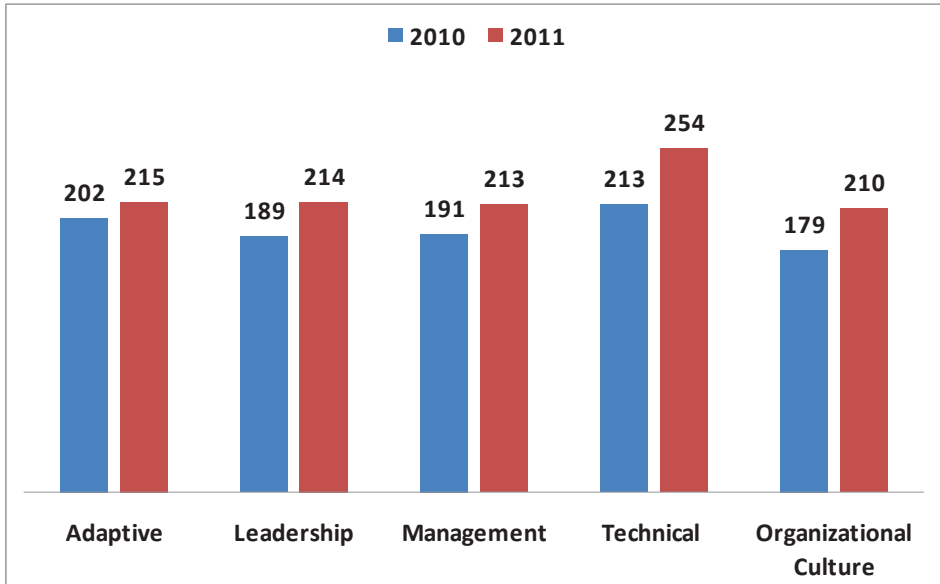
*One of the most significant takeaways from implementing the strategic human-capital plan has been the importance of keeping employees engaged.*

Celebrating achievements and building staff community has also been a particular focus, with a new staff-meeting model that allows employees to communicate important information, interact with staff across the foundation, learn about specific work in depth, and celebrate individual and collective successes. Guest speakers have opened employees' eyes to the critical work of foundation grantees and the motivations of donors, enhancing the staff experience and, again, helping to connect the dots. Meeting preparation and facilitation responsibilities now rotate among all departments rather than resting with one staff member.

The staff-development team provides training and educational opportunities for all employees. Early sessions focused on recognizing and appreciating different work styles, giving and receiving feedback, cultural competency, and managing up, along with technology skills workshops.

Progress in developing the leadership team has featured the expansion of the group to include both the vice president for technology and operations and the human resources manager. Each

FIGURE 2: Summary of Core Capacity Scores



functional area and all key resources are now represented on the team, which allows for more thorough and timely communication, coordination, and decision-making. The team holds a semi-annual offsite meeting and each member is responsible for leading the group through a “book club” discussion at least once a year. Twice yearly, the team assesses each employee’s performance and potential. Many of the issues raised in the early reviews have been addressed.

Another key lesson learned is the effectiveness of an open-door policy for the CEO, who now holds regular, informal meetings with small groups of staff to hear what they are thinking about and exchange ideas. It has been critical that we hold ourselves accountable for the plan itself and the vision it established. We hold quarterly check-ins, open to all staff, to revisit progress and offer input.

### Results

Results of the re-administered CCAT survey in November 2011, which also had 100 percent participation, showed marked improvement over the October 2010 scores. (See Figures 2 and 3.)

Particularly in the areas related to organizational culture capacity, the indicators show much

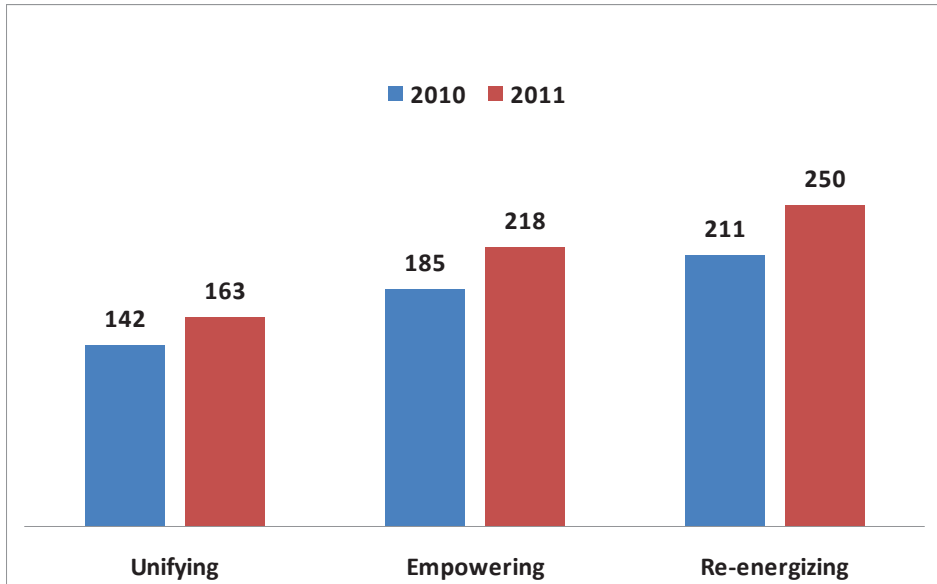
greater levels of satisfaction. Staff at all levels gained a newfound appreciation for how they further the organization’s mission. An example: Bill Smith, one of the foundation’s facilities managers, overheard a young man working at a local family-owned hot dog stand express his interest in going to college. Smith was able to direct the young man to the foundation’s website and the many scholarship opportunities listed there. Neil Steinberg uses this story frequently to demonstrate the importance of employee engagement with the foundation mission: no matter where anyone sits on an organizational chart, it is possible to be an ambassador for the foundation in the community.

### Seizing Opportunities: Rhode Island Innovation Fellowship

In the summer of 2011, philanthropists Letitia and John Carter came to The Rhode Island Foundation with a simple, yet profound idea: Rhode Islanders developing innovative solutions to Rhode Island challenges. The Carters asked the foundation to shape their vision into something tangible. The Rhode Island Innovation Fellowship (RIIF) was the result.

It is safe to say that The Rhode Island Foundation of 2008 would not have been able to establish and execute the RIIF. For RIIF applicants, the

FIGURE 3: Organizational Culture Capacity



foundation promoted the notion of outside-the-box thinking, but that same kind of thinking was required to set up the funding agreement, create the application process, and communicate this gift to Rhode Island. From the ingenuity of Tech & Ops in devising an online application that worked for both applicants and reviewers to the cross-functional team that orchestrated every step of the process, the RIIF symbolized all that had changed at the foundation. No longer content to be a traditional grantmaker, the foundation is becoming a visible, proactive leader working with community partners to help improve the lives of Rhode Islanders. Immediately following the April 11, 2012 announcement of the first two RIIF fellows, the foundation launched its first campaign for a new Civic Leadership Fund to support foundation work “beyond grantmaking.”

The 2012 Center for Effective Philanthropy Grantee Perception Report, the first to be issued following the foundation’s adoption of the new strategic plan and streamlined grantmaking processes, showed that it stood out among peer foundations in terms of “approachability” and “partnership” (Center for Effective Philanthropy, 2012).

When employees were asked the most significant areas of progress in 2011, they cited the creation of Tech & Ops and increased opportunities for cross-functional interaction, as well as a greater focus and intention around this work. They also expressed appreciation for continued opportunities to provide input and feedback formally and informally.

We know the journey has just begun. We still have much work to do to advance the six strategies identified in our plan. The most significant challenge? Balancing what is critical to preserve from the traditional community foundation model with what is essential to envision and build the community foundation of the future. As much as we value sound planning, we must also be positioned to take advantage of opportunities we cannot yet imagine.

How will we address this challenge? At the foundation we have come to embrace an approach that encompasses all aspects of our work – strategies, operations, and people. When our people are engaged, empowered, and aligned, our whole exceeds the sum of our parts.



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