



A PODCAST WITH RUSTY STAHL | S3 EP2

WITH SPECIAL GUESTS

Joey Lee and Bipasha Ray
Open Society Foundations



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Investing in New Executive Directors, Part I

INTRO [00:00:03] You're listening to the Fund The People Podcast, I'm your host Rusty Stahl. On this show we serve up a healthy nutritious alternative to the nonprofit starvation cycle. If you work as a funder, a non-profit, or intermediary, we'll help you invest in America's nonprofit workforce to drive equity, effectiveness and endurance in our nonprofit and social justice community. So let's get going.

RUSTY: Welcome to the Fund The People Podcast, I'm your host Rusty Stahl and I'm grateful for your time and attention today. I know you've got a choice of bus lines, so thank you for traveling with us. This is season 3, episode 2 and I'm sitting here with my cat who you may hear during this introduction. Her name is Rainbow Chocolate and she likes sitting on my desk, here at home.

PILOT AD: Folks, Fund The People is cooking up a very exciting new program: The Funding that Works Academy, which will offer online courses that teach our new Talent Investing Framework right from our website. Our initial courses will focus on the fundamentals of talent investing, and there will be versions available for foundation professionals, foundation board members, nonprofit professionals, nonprofit board members and folks working in intermediary organizations, like consultants, educators and membership associations. We want to give our

podcast listeners early access to this great new program, so if you fit into any of those broad categories that I just mentioned and you're interested in helping us to pilot the course, please send an email to info@fundthepeople.org and write Pilot in the subject line, you will get special early access to our cutting-edge content and help us make improvements to the course before rolling it out widely. So remember just email me info@fundthepeople.org and write Pilot in the subject line, and we'll get back to you with details. Thanks!

RUSTY: In this episode we explore Talent Investing Principle number 4: Advance Talent Justice. You can learn about all eight principles by listening to season 3, episode 1, the previous episode. This episode is part one of our two-part miniseries on Investing in Executive Transitions and New Executive Directors.

In this episode, you'll gain valuable insights from a major funding institution about why they believe it's so important to invest in the nonprofit workforce, in particular by supporting new executive directors. Obviously, the period of executive transition and the ascension to executive roles is a crucial inflection point for organizations and for their leaders. It's also crucial for the people who rely upon the organization for its services.

As more organizations hire what our guests today call historic firsts: women, people of color, LGBTQ people, in organizations that have never had such people in their executive director role, too many of these historic firsts have been set up to fail rather than set up to succeed. I think this is a major dynamic happening in our sector right now. Funder practices are sometimes part of the problem rather than part of the solution. So having a major funder become part of the solution in a very public way, is important progress and it's something that you can leverage in your own talent investing efforts.

This issue of healthy executive transitions and ascension was important before, but it's especially important now as new executives are being hired and on-boarded into pandemic conditions. These pandemic conditions include isolation while working apart from one another, paired with the challenge of if, when and how to re-establish in person workplaces. Along with intensified staff conflict and challenges with internal communication, difficulty filling jobs and keeping staff during the Great Resignation, and the challenge of sustaining healthy workers, healthy organizational culture, and healthy workplaces under all these conditions.

The great thing about this conversation is that you'll learn about important new research on the value of investing in executive directors, and you'll learn about a new resource that can help you bring this message to your funders, to your board, to your executives, to others. It's a new report with recommendations from the Open Society Foundations, drawn from the experiences and voices of hundreds of new executive directors.

Having a major funder publish in writing the same stuff that many of us know and have been saying, is an important tool for changing the conversation. So I hope you can take advantage of this. Before we get started, please do [subscribe to the show on Apple Podcasts](#) or wherever you

listen and remember, we email people about each new episode through our mailing list and we offer other great resources along with the episodes, so [head on over to fundthepeople.org to sign up for our mailing list](https://fundthepeople.org). On the website fundthepeople.org you can find all the podcast episodes with show notes and links. And you can also access all our free original content and tools from the Fund The People tool kit including our Talent Justice research and tools on investing in intersectional racial equity in the nonprofit workforce.

Okay, let's get going. Here's my conversation with [Joey Lee of Open Society Foundations and Bipasha Ray, currently with Panorama Global formerly of Open Society Foundations](#).

Pleased to have you both on the show, welcome, and thank you for being here.

JOEY: [00:05:23]

Very excited to be here Rusty. Thanks for inviting us.

BIPASHA:

Yes. Thank you, Rusty.

RUSTY: [00:05:28]

Absolutely, absolutely. So let me briefly introduce you, and we'll dive in. So, [Bipasha Ray is the Vice President now of Scalable Solutions at Panorama Global](#), a philanthropic platform for social change and she was previously the Project Director of the New Executives Fund at Open Society Foundations. She combines nearly 20 years of experience in journalism, international human rights, political philanthropy (I want to hear more about that sometime) and policy research, with a passion for supporting activists and leaders working toward more just and equitable societies.

And [Joey is Associate Director of the New Executives Fund at Open Society Foundations](#) where he provides support and empowerment to nonprofit leaders navigating challenging leadership transitions. Joey is a human rights-focused lawyer and previously directed the Asia Law and Justice Program at Fordham Law School, where he managed capacity building programs to empower human rights lawyers and rights defenders in Asia.

You both have so much interesting experience and I think so much that I'm interested in learning from you both, today though, we're here to talk about the New Executives Fund, and I'm glad that we have kind of two generations of folks who've worked on this fund, which has been going now, for what, almost 10 years, right? I would love to just introduce OSF and the New Executives Fund to our audience. A lot of people know The Open Society Foundations but some may not. So Joey, could you just give us a brief introduction to the OSF and the New Executives Fund?

Joey: [00:07:15]

Open Society Foundations is a global philanthropy that's active in more than 120 countries, as many people know, making it the world's largest private funder of independent groups, working

for justice, democratic governance and human rights. And the New Executives Fund, which is a program within OSF was first established in 2013, and we'll probably get into the history later in the episode, but from the outset **the concept of New Executives Fund support has been based on the understanding that times of organizational leadership transition can be a time of both tremendous uncertainty and risk, which can be the source of a lot of fear and anxiety; but also time of tremendous opportunity for leaders themselves and for the organization's work and impact, and for the fields and movements that those organizations operate in.**

So, since 2013, when the NEF was first created, the program has aimed to provide a mix of supports for new leaders in those first critical one or two years of their leadership, after being appointed an executive director to create for them some flexibility, some breathing room and some confidence to do what they're hired to do, which is to imagine and implement, a transformative strategic vision for the organization.

And the main supports that we provide are first two years of unrestricted funding to be used entirely at the discretion of the newly appointed ED, which not only provides flexibility and space but also a boost of confidence in the form of an early grant that can hopefully elevate their their profile within a community of partners and stakeholders and other funders. And also, equally important I think, the other part of any of support is to give an opportunity to engage a growing community of other leaders that have received NEF support and who are traveling the same difficult journey of the leadership transition, or have traveled it in the past, to be able to help build a sense of solidarity among leaders who so often feel really incredibly isolated and alone in their leadership experience. So those are the two main pieces, I think, of NEF support.

RUSTY: [00:09:42]

Great, thank you for that. I know people may be wondering how much money is provided in each grant, or are you willing to say that?

JOEY: [00:09:51]

Yeah. So essentially it's different for every grantee and it's been a balance we've been trying to hit, I think throughout much of history at the NEF. And we're very open to continuing to think about how best to strike that balance. It's usually a small percentage of the organization's operating budget and that's essentially to account for what is really a huge diversity of grantees, organizational structures, and sizes of budgets. And so we found that it has been a helpful way to think about grand sizes. But you know, that's an ongoing conversation as I'm sure we'll get into, around how best to support leaders in all of the different challenges that they face.

RUSTY: [00:10:41]

That's helpful to know. Because I didn't realize that in a sense you're customizing to the context, giving a grant that's appropriate and hopefully useful in the context of any given organization rather than giving a cookie cutter amount that, you know, might be really useful to somebody and not that useful to somebody else depending on the size and scope of their organization. So it's actually really interesting and helpful to know. I was curious, is this for existing OSF grantees

or can anybody apply? How do groups get one of these New Executive Fund fellowships or supports?

JOEY: [00:11:22]

Yes, so historically and currently at the New Executives Fund we select our grantees from an internal OSF nomination process, which is to say that anyone who is a staff member or board member of Open Society Foundations, when we open our nomination rounds is invited to submit nominations of any new leader that they know of. And one thing I really love about this program is that it's really open to all staff including grant makers, but also open to those who are involved in grant making, and nor is it limited to organizations that have been supported by OSF in the past or are currently supported by OSF.

It's our way to try to strike that balance again of having a manageable selection process in terms of working with a lot of applications and nominations with a small team, but also hopefully creating ways to field and allow us the opportunity to see leaders that may not normally show up in our networks. Just as an example, often we have nominations come from folks who may not be working with these leaders in their kind of conventional OSF grant-making work, but may know of them from the community or may know of them through other networks and are really excited to support them. And similarly, you know, we've had wonderful nominations and NEFladers who have come to us through those who work in on the operation side, or in administrative support or any other aspect of OSF that isn't necessarily related to grant making, and that's been a really great experience for us.

RUSTY: [00:13:08]

Pretty interesting to know, I asked those questions because I know they're nonprofit EDs listening, like, you know, how does this work? So I just thought we'd get those things out of the way.

Now, I know there's also, or at least I hope I know that there are funders listening to this. So hello funders! Thank you for listening. We try to focus our message here for funders and nonprofits and intermediates. Those are the three audiences we're trying to speak to. And so, there're messages in the report that we're going to talk about for funders, there are messages for executive directors. And I know not everyone listens to an entire episode. So I wanted to give you all a chance to, if you were talking to the funders who are listening to this episode right now, what would your key message be? What do funders need to hear about non-profit executive transitions and supporting new executives? So let's actually lead with Bipasha on that.

BIPASHA: [00:14:14]

Great. Thank you, Rusty. I will preface my response by saying this: so I helped run this fund, the New Executives Fund for just about seven years, and I've actually recently left the Open Society Foundations to continue the work of supporting leaders and others who work on social change and social impact and to also think a little bit more broadly about where philanthropy fits in and where practices need to be changed in much more progressive ways. And I think **the main message that I would really seek to convey to our listeners, especially our funder listeners, is**

that in this era of The Great Resignation or the great reshuffle, and really thinking about the role that racial reckoning is playing in our societies worldwide, it is really important to examine our funding practices, examine power and privilege and unpack, and change some of these practices that have not served nonprofits and movements in building resilience, in building sustainability, and that have contributed to the nonprofit starvation cycle.

And so leadership transitions are particularly vulnerable periods. Executive directors and CEOs, especially leaders of color, women leaders, LGBTQ+ leaders, others who come from marginalized backgrounds or identities, often feel isolated, unsupported, underappreciated by their boards, by their funders, sometimes even by their constituents, and the stress and the burnout are heightened and made much more visible by the pandemic, by the economic uncertainty, by the racialized violence we're seeing worldwide. And this has really harmed communities, and shaken organizational, and personal stability.

And leaders are really questioning the sustainability of their jobs, in a culture where revenue is dependent on performative fundraising from opaque institutional donors. And philanthropy has an outsized role to play in addressing this to recognize leadership transitions as a period to lean into, to support their fields and their movements through these moments of vulnerability, and to ensure that leaders and organizations are truly trusted and supported to achieve lasting social, racial, gender, and political justice and equity.

RUSTY: [00:16:40]

Wow, powerful powerful stuff, thank you for that. Yeah, I think the way you said it, that the destabilization of organizations and jobs and roles is a powerful thing that's going on and I don't think the funding community has really recon with that, really realized that, really found a way to address it yet. It seems like there's a lag there, in terms of the response. But Joey, I'm curious to hear what you were thinking about the message funders need to hear.

JOEY: [00:17:15]

Well, I mean first, everything Bipasha just said, I mean, I love hearing Bipasha talk about this stuff, because it's always really inspiring. You know what I'd also add and this goes back to what I started with, in terms of leadership transitions, you know, I mentioned, I described them as being a time potentially of tremendous uncertainty and risk and fear and anxiety, of course that's true often, for the leaders themselves, but that's also true for everyone else, you know. For staff, for partners and for funders. And so, I think if there's one message that we would really want to underscore, is to really be intentional about seizing an opportunity of a leadership transition, to really amplify and and magnify your support rather than step back and wait and see, which of course, you know it happens all the time and there is a kind of natural logic to that. I think people do feel in times of change, whether its leadership transition or anything else, let's just wait and see what happens.

But I think too often, especially these days given all of the parameters that Bipasha just described, there can be a lot of unintentional harm and damage when funders step back. Not only can that be not a particularly great way to start an organization or to start support for leader as they take on their new role, but often it can actually prevent that leader from doing exactly

what they were hired to do, which is to be a transformative leader, to have the opportunity to imagine an implement a vision. And so, yeah, I think that would be, that's the spirit I think of what we're often trying to persuade other funders, including within our staff and elsewhere, which is this idea that, you know, **lean into the opportunity of a transition, rather than the uncertainty and the fear around it.**

RUSTY [00:19:22]

Fantastic. Well, you're both great messengers. That was inspiring as well, and such an important message, love for humankind. Philanthropy, if it's going to be ethical, you know, like doctors take an oath to do no harm, philanthropy should do no harm, and the unintentional harm and damage, as you said, of pausing and wait to see how someone does, as a new executive at a grantee organization instead of leaning in and supporting them, really does have a lot of risk for the nonprofit even as it may lessen risk for the funder, or that's how they may perceive it. So I'm so glad that you brought that up and I know we're going to talk more about that, and how that impacts people of color and other folks who have come in as historic firsts, we're going to talk about that later in the episode.

So thank you both for sharing powerful messages up front and we'll continue to dig into really all elements of what you said as we talk. I want to, before we get into the meat of the messages in this report that you all have released, just step back momentarily and ask Bipasha, since you were there at the beginning of the New Executives Fund, give us a sense of that history of what prompted Open Society Foundations to start this and how did it come about? And I asked that so that other funders can think about why and how to make that kind of a case for doing this kind of work in their shops.

BIPASHA: [00:21:04]

Yeah. Thank you Rusty and Joey. I really appreciated the way you framed the central message that you want to share, because I think some of that ties so closely with why the NEF was created, and how it has evolved. And really thinking about the leaning in during these moments of vulnerability but also seeing the real opportunity and celebrating the opportunities that new leadership brings, is such a critical part of what the New Executives Fund was meant to be. So I was at OSF when the NEF was started, I didn't work on it for the first three years of its existence, but just as a quick little snapshot of history, the **New Executives Fund was started in 2013 as a way to deepen OSF investment in the people who drive nonprofits and particularly its leaders. So its hypothesis for change squarely relates to something Rusty, that you talked about quite a bit, which is your principles of talent investing and seeing the potential in the people and the leaders.** Recognizing that times of leadership transition are periods of vulnerability and opportunity, and also recognizing that funders can take that risk approach during these times. Our OSF then president Chris Stone felt that this was a real gap. He was coming to this from his own background as having been a new executive director in various contexts, but also having built a real expertise around organizational development and sustainability and resilience. So he created this fund in 2013 as a way to offer flexibility, as a way to offer discretionary support, discretionary fund to the incoming ED or CEO as a way to support the vision of new leadership.

It was a way, as I've talked about before and as Joey has as well, to celebrate those moments of renewal in a nonprofit's stages of growth.

And it was also really intended to normalize these periods of transition. There have been moments where funders or others may look at a long-standing ED deciding to step down and see it as a crisis. Because this person, this vision, this charisma that has led an organization for a number of years is going to now step down. And I think there's a way in which we can normalize leadership transitions as critical to the renewal of the nonprofits and the movements, but the field itself as a whole. And so thinking about this unparalleled opportunity to support an organization's rejuvenation, introduce new ideas and effect internal change, was a big driving force behind the New Executives Fund.

And I really want to uplift another point that Joey also mentioned, which was, this was really important to Chris and it was really important to NEF at its founding, and has remained important which is that NEF was not designed to simply support organizations that OSF has already invested in, but also to think about what are some other organizations that OSF needs to invest in, who are some other leaders that NEF needs and OSF need to invest in. So we were always very keen to welcome and bring in new leaders and new organizations into our fold, and oftentimes those new organizations became then grantees of OSF in other ways.

So, this was a way for OSF to also learn about new leaders and new leadership. I took over the running of the NEF in 2016 when Chris Stone transferred it to my program which is called the Open Society Fellowship where we had focused for many years on supporting individuals through grants and through peer learning communities and through cohorts. A lot of my focus in those early years was really around thinking about peer support, peer learning, where can we create spaces for these new leaders to learn together and then, also really honing in on who our grant and non-monetary support should go to.

The demand was always much higher than the size of the fund and it was really important for us to think about dimensions of race, dimensions of gender, dimensions of marginalization, to really hone in on leaders who are not getting the support from elsewhere, or perhaps who the stakes were higher, the stakes for whether they succeeded or didn't were higher and emblematic of the entire communities that they represented. So we were very intentional, in a growing manner, more intentional about such dimensions.

RUSTY: [00:25:33]

Thank you for kind of giving us some context and it's important to hear that, you know, the head of the foundation really found this to be a priority issue and there's so many dimensions to what you said about normalizing transitions. One of the principles of talent investing that we promote at Fund The People is that people are the bedrock of organizational effectiveness, but people come and go, and we have to normalize that. I think we have to say we're not dealing with slave labor here, we're not dealing with robots, there's no ownership of the staff including the charismatic leaders. We have to be prepared to let people go and welcome new people into these institutions if they are to survive and thrive, so that makes so much sense to me.

Okay. So in fall 2021 you all released a report called "In Support of Those Who Take the Leap: Lessons on Leadership Transitions from the Open Society Foundations New Executives Fund".

So we're going to spend some time now talking about some of the key findings and messages in the report. Before we dive into the content of that, tell us briefly about the learning project that culminated in the report.

BIPASHA: [00:27:00]

So this report, and I can talk a little bit about the genesis of this report, and then handed over to Joey to talk about some of the manifestations the report took. So the report was many years in the making, even before we commissioned it. What we had realized is that one of the practices we upheld very seriously during the course of any of the grant terms was that we would be in relatively ongoing communication with each grantee partner, with the leader, and that was a way for us to kind of hear from them in real-time their reflections on their leadership, collect information that they were sharing with us at the early stages of the grant and shared back with them at the later stages of the grant period, for them to kind of see how far they had come. And this was all conceived of as a way to support them.

So we were having ongoing check-ins, we were having these peer learning convenings and we were also really thinking about: how are we creating supportive spaces? How are we creating ways for us to think about the layers of additional complexity that leaders from marginalized backgrounds face and how are we leaning into that? And we understood that we had a lot of anecdotes but we were missing a chance to learn holistically from insights. There were a number of assumptions we were operating on and how were these playing out in real life, we wanted to understand them better. We also wanted to understand what are some messages that for whatever reason, the leaders were unable to share directly with us.

And, you know, I will say we did pretty well in creating spaces where leaders could come to us and share a number of frank assessments or feedback, but we also want it to be intentional on creating those feedback loops, and it was not meant to be an evaluation, but it was very much as the name suggests a learning project. It was a way for us to learn both how the leaders felt about their own experience on the New Executives Fund and then also share those learnings back with the philanthropy community.

And then there was another critical piece of this which is what do these new leaders have to say to others who are assuming these positions for the first time or for the first time in their organizations. And I think I'll also share here that we saw a gap in the literature about this space. In the last few years, there's been more written about leadership transitions, but in the early years of the New Executives Fund we didn't find much that had been written about leadership transitions writ large trends analysis across the globe and also thinking about how this is specific to the nonprofit space. And so we realized, we had spent the last seven, eight years following more than 100 new executive directors around the world who had deployed flexible funds in creative ways. And anecdotally, we knew many of their challenges were similar, but we also wanted to understand those layers of complexity when it comes to leaders who are

of color, leaders who are women, leaders who are based in the global south, and we knew that we wanted to relay some of these learnings back to philanthropy.

That's where the genesis of the report came about and so a couple of years ago we reached out to two organizational development experts. For more about the report, I'm going to hand it over to Joey, who can share a little bit more about how it came to be and some of the central findings.

RUSTY: [00:30:19]

Yeah, go ahead Joey, tell us about the folks who produced the report. How did they go about writing it? I think it's so important that it's not an evaluation but it is like bringing the conversation that was happening at the convenings and with you and your grantees into kind of a public light and sharing some of the findings and and messages that were resonating around within the program.

JOEY: [00:30:41]

Yeah, thanks for that. And any opportunity I have to show my love for the authors of this report **Martha Farmelo and Victoria Wigodzky** I will seize and you might have to rip the mic away from me because I have such tremendous admiration for their work and for this particular project. Before I get into it, I just wanted to underscore, you know, some things that Bipasha was saying just to really give a little bit more context about how potentially difficult this learning project was and could have been.

Again by the time the learning project began, the NEF had supported more than 100 executive leaders and I really want to emphasize here how diverse the NEF community is. It is as diverse as OSF itself, given that we have no eligibility requirements related to geography, or theme of work, size of organization, etc. One thing I like to kind of throw out there is that this community of over 100 leaders includes both an organization of, at the time a three or four staff that worked on one issue in one community of one city, and at the same time, in the same community, executive directors of international NGOs with dozens of staff spread across, you know, several offices. So really, you know, along almost every dimension, a tremendous amount of diversity with the one thing in common that they were all going through leadership transition.

And so for us, that meant, you know, what a wealth of stories of, you know, more than 100 stories of courage, of overcoming barriers and transformative impact. And so we really wanted to dive into that. But also, we're very sensitive to the reality that anything prompted by a funder with regard to sharing one story of being supported by that funder could be very fraud and could introduce all kinds of dynamics that would, you know, prevent us from getting to where we wanted to go, which was to surface lessons for funders and also perhaps share some reflections back to leaders themselves.

So, Martha Farmelo and Victoria Wigodzky again, experts in non-profit leadership and organizational support among many, many other things with regard to this project, had just a really remarkable sense of compassion and sensitivity with regard to the diversity of stories and

not just any stories, right? These are stories that come at often the most difficult and challenging periods of many of these folks' lives. And who, as we know, those transitions, don't have an expiry date, so sometimes those issues were very live and continuing. So I just wanted to emphasize that it was integral to this project to have independent researchers and authors, who were able to work with our community through one-on-one conversations, group discussions. We also used our annual convening as an opportunity to ask our grantees to reflect, to contribute to this report and in all of those situations, Martha and Victoria I think really managed the process in a way that our leaders felt seen and held with a great amount of care.

RUSTY: [00:34:15]

I don't know them, but I'll say in reading the report there's some real vulnerability that folks share clearly in those convenings and in the report itself, feelings of frustration, anger, challenge, with funders, with others. And some of the experiences that people share are really really personal as well as professional, and I think they handled it well, and I commend the folks who are listening to just actually read the material because we are not going to cover even half of what's in the report.

So, the great thing about the report as well is there's the full report, there's an executive summary, and there's also sort of some pull out material that folks can get separately. So I think there's four total documents that people can access including the full report, but also some of these outtakes as well and **we're going to share how to get the report on the show notes for this episode**, as well as give you information about that as we talk.

We're going to go through four messages that are in the executive summary. If you can't read the report and you can't even afford the time to read the 7 page executive summary, you're going to hear some key messages here. So let's turn back to Bipasha to talk about the first key message in the executive summary, which again these messages are actually what executive directors say they need most in particular from the funding community.

BIPASHA: [00:35:54]

Yeah, thank you. Thank you, Rusty. And thanks Joey for sharing our deep appreciation and love for Martha and Victoria and I think they were able to bring this report to life in a way that really kind of leaned into the promise of what we had hoped this exploration would bring us and more. There were a number of things here that we didn't realize that we were seeking and seeing Martha and Victoria pull out some of these nuances in their conversations with leaders was really quite illuminating.

So, in terms of the findings, I think **the first finding is kind of the meta finding that in a way we've been talking about throughout this episode so far, which is that founders need to pay attention to leadership transitions. These are important periods of renewal for organizations and they need special support, and executive directors, especially new ones, need funders to understand that you have to step up to the plate with tangible, and this is important, intangible forms of support as well. It's not just about the grant, the grant is important, the unrestricted flexible grant is important. But these, the ways in which funders show trust, the ways in which funders show confidence, can really make or break a leadership transition in many ways.**

And so, I think, one of the points uplifted in the first finding really is that funders must build transition thinking into their portfolios. What are the sorts of things that a funder or a program officer should do when there is the conversation around a leadership transition butting in one of their grantee partners. This report hopefully brings out a message that other leadership funders have also been sharing over the past couple of years, which is that these are periods of leaning in. And I'll hand it over to Joey to talk about what are some of the other findings that I think are related to the central finding.

JOEY: [00:37:54]

Yeah. So in a way, the other important findings of the report outlines some of those ways that funders can support a leadership transition and a newly appointed leader in that difficult time. And the first one, not surprisingly again as we discussed in this conversation, and really glad to see being discussed more and more everywhere, is **the idea of unrestricted funding. Is rare enough unfortunately still for organizations to receive unrestricted funding in general, and rarer still when it comes to a leadership transition, which again is precisely the time that leaders need the most flexibility and the most breathing room.**

I hope there'll be a lot of nodding heads to the folks listening, but I mean in those critical early periods after a new executive leader has been appointed, it's so often the case that new leaders can feel incredibly overwhelmed by these relentless and always urgent priorities that take up every minute of everyday, and it can feel endless. And over time, you know, attention to all of those priorities can come at the expense of the new EDs promise and potential to be a really visionary and strategically transformational leader. And so I think one of the takeaways from the report is **how important it is to offer new leaders that kind of flexibility, so that they can really begin to seize the potential, seize the opportunity of the transition.**

I'll also throw it there again, not surprising to too many I'm very sure, unrestricted funding for a new executive director can also be a really important demonstration to other funders who are in that wait-and-see mode, and we found that through the New Executives Fund when we support new leaders and also publicize and uplift and celebrate them, it can be a signal to other leaders that they too should step in. And also represents a kind of early win for a new executive director where perhaps wins are still few and far between. And there's the connection there made in the report as well that that kind of confidence of a funder at an early stage can be so impactful and so powerful and can boost the confidence of a new leader and those around them.

That's another way of saying everything related to this unrestricted funding conversation is **understanding the funding as an extension and an expression of trust, trust in the new leader to do what they know they can do and what everyone hopes they can do** and which is to be that transformational leader and to give them a solid honest chance to do that before they get overtaken by other realities of the leadership transition.

There's also a really great finding in the learning project report around the psychological safety and empathy needs of new leaders, particularly those that are undergoing transitions in very difficult circumstances. As we've all seen, right? I think we can all probably trade stories around

really complicated, difficult, sometimes messy transitions that when you put yourself in the mindset of the person that's dropped into that situation, can be really destabilizing and a real emotionally difficult period. You know, all of that I think is very hopefully easy to understand and easy to empathize with. But then I think the reflection of the report is to urge funders to really step into that mindset of understanding the leaders' needs for empathy and patience in those times.

Now, one way to look at that, is to go back to the issue of funding and say perhaps that there's flexibility to engage resources that can help with resilience and well-being, and those are wonderful. But I think the real message in the report on this line is again, to ask funders to, with their hearts and minds, really step into that vulnerability with the leader, and imagine their engagement, their requests and the process of being a funder in relation to a new grantee through that lens.

You know, this one quote that really struck me and it's in the executive summary and it's from an executive director who says that "reassurance is a two-way street. It is not only the new executive director's job to reassure you as the funder. It is just as much the donor's job to reassure the new executive director" and to do that not only in words, but in action and to build that into how they engage with leaders in those early days.

And then the last important finding, there are lots of findings, but the other one I wanted to highlight is just **the need for leaders to be in community with each other**. I think we all know being an executive leader can be an incredibly isolating experience. You wear so many hats for so many different audiences. But how many opportunities do new leaders have to really decompress and share, honestly, with others who truly know what it means to go through that experience? And so I think the other thing that is really important for funders to understand is how important it is to support and facilitate and help grow communities of leaders so that they can learn from each other, build solidarity with each other and have that network of support.

I described the incredible diversity of our community of new leaders at OSF, with all these different, you know, lived experiences and circumstances of transition. But one thing I can assure you that they all agree is how important it was for them to realize that they weren't alone, that they weren't the only ones going through these really crazy difficult circumstances and that feeling of isolation can be such a barrier and anything funders can do to break it or to chip away at it I think it's really important.

So again **that idea of intentionality when thinking about supporting a new leader should also include that attention to peer support and community with other leaders.**

BIPASHA (00:44:30)

And I'd love to build on and really underscore some of the points that Joey made. And one of the things, I think one of the assumptions that we found getting stripped away as we ran the course of the New Executives Fund, but then really understanding from this report, that flexibility of funding is not just about organizational development, it can be; and it's not just about leadership development, again it can be, but related to this last point that Joey made, **the**

context and the space within which each leader and each organization is building resilience is so different that that flexibility of the funds were extremely important to also let leaders have that discretionary fund.

Just to spotlight some of the anecdotes and some of the examples that we understood from the report, and then also saw from our own experience, many leaders did use it for organizational development, for strategic planning, for helping shift organizational culture, for reconnecting to their purpose. And then we also learned that other organizations found that the true crisis in assuming new leadership was finding that the organization had lost its sense of way a bit, and needed to reconnect to its constituents and actually needed to create new programs to reconnect to their constituencies.

These were all things that a new leader could make decisions on and implement relatively quickly when they had a discretionary fund like this to lean back on, and other EDs told us that just having the space for and a fund to bridge some gaps, gave them the chance to step back and really think about what does this organization need, and then of course this might be a whole other topic of conversation, but all of these assumptions really showed themselves when covid hit because that's when many of our leaders who are currently on the grant were able to use the New Executives Fund to quickly redeploy and shift into areas that they never thought they would be. They would need to build up organizational and personal capacity.

So I really want to sort of emphasize both the unrestricted aspect of what Joey shared in terms of the findings but this other emotional confidence based, pure learning based aspects of support that we heard from our new leaders.

RUSTY: [00:47:20]

Yeah, I mean, these really resonate with me. I was a founding executive director of EPIP (Emerging Practitioners in Philanthropy) and I was there for 10 years on staff as the founder ED and my transition out was intentional, but it was still messy for me and my successor Rahsaan Harris. And if it hadn't been for the Annie E. Casey Foundation, which provided support so I could get an executive transition coach, who also worked with the board separately, if I hadn't had my close friend at the time, Ami Dar who's Executive Director at Idealist who provided critical support to me and the institution to make that transition work. It was like I needed coaching, I needed friends, Rahsaan needed support, and the money was so tight and the timing of grantor renewals was so tight that almost destroyed the transition, because we were sponsored by Tides, fiscally sponsored and Tides said like if you don't have this money in the bank we can hire Rahsaan, you know, I'm just being honest, it was on me to get that stuff right. So it had so many ramifications for Rahsaan and for me, and a healthy transition.

So it just really resonates, the findings for me kind of personally as well as what I see in the field. So thank you for sharing those findings. And I think the psychological safety, that idea of the funders can be reassuring beyond the money. It's like these are real allies and important investors in the institution and what they do is such a signal to the other potential investors. The message is so important.

Now the next thing in the executive summary and that we've already started talking about throughout this conversation is about historic firsts, so Joey can you come back in here and talk a little bit about what you mean by historic firsts. I think it's obvious, but tell us what you all are talking about. And why this is such an important part of the conversation.

JOEY: [00:49:41]

I totally agree. I do think it's a really important part of any conversation around leadership transitions. So, you know, when we look back at the New Executives Fund community of supported leaders, we observed that certain kinds of leaders often faced particular kinds or degrees of challenges related to their transitions and for us one particularly evident example was leaders who had particular backgrounds, identities, or lived experiences that have been historically and and systemically excluded from leadership. And therefore that made them a historic first time leader at their organization.

So I can give you a couple of examples, again keeping in mind how diverse our community is so it shows up in a lot of different ways. But certainly first time women leaders and organizations that have been historically led or founded by men, first time leaders of color at historically white founded and white led organizations which we saw certainly in the US but also in South Africa and some other places as well. More broadly, you know, leaders who had the lived experience of being from the impacted community that the organization was seeking to serve.

So for example, you know, we have Roma rights organizations in our community that were being led for the first time by leaders with Roma identities and backgrounds, also first-time leaders from and living in the global south in organizations including international human rights and development and organizations that had been historically led by leaders from the global north and from offices in the global north. And of course, you know you can imagine all kinds of intersectionalities, different identities and backgrounds too. So first time lesbian, queer or non-binary identifying leaders at LGBTQ organizations historically led by sis gay men, often white, and first time women of color leaders and organizations historically led by white women.

And so these transitions are challenging but we were finding in relationship with many of our new leaders that for these kinds of historic first there was a way in which a lot of the core challenges of any transition had the potential to be really amplified or magnified for folks under these circumstances.

RUSTY: [00:52:21]

One of the things that Fund the People Found, we did some research called Talent Justice Initiative, and we found that this wait and see phenomenon that we've been talking about on this episode here, funders waiting to see if someone succeeds in the in the new role of ED actually setting them up for failure instead of setting up for success, that wait-and-see phenomenon is experienced more by people with immigration experience, who have immigrated to US, than people born in the US. That was a statistically significant finding and we also found that more people of color than whites were experiencing that as well though, that wasn't a statistically

significant finding. So, there is that intersection of who is trusted in these to helm these ships if you will, to run these organizations. Who is thought of as a good fundraiser or having the social capital, you talk about it in the report, to be able to tap into wealthy donors and that kind of thing, which is such an important role within the ED job. So race, class, gender, sexuality, all of those things, I think generation and age also come into play. I imagine in that experience...

BIPASHA: [00:53:42]

Religion, religious minorities, that's something we've experienced and work with leaders to come from religious minority backgrounds, where in the context of Civil Society they are often not represented in leaderships. That's another lens...

JOEY: [00:53:56]

And I just wanted to jump in to underscore, you know, some of what you said. That's an excellent example of what some of the report findings were servicing, which is this idea that all transitions are complicated but you know, what does it look like through the lens of these kinds of historic first leaders and leaders of color is unfortunately a really strong example of what can happen. It's hard enough for a new leader to struggle with building relationships with existing and prospective funders at a time when that's exactly what they're expected to do. But when for example, a first-time leader of color succeeds a white predecessor it can really surface, you know, major significant barriers that are preventing access and easy navigation within a predecessor's social and professional networks that are built on the different privileges that they've had.

And again, you know, as you were saying **when an organization's funders respond to a leadership transition with that kind of wait-and-see approach, it can be a real gut punch, to any ED but particularly harmful for those first-time leaders of color. Both in terms of the signal, it's sending to funders in the community about the capacity to believe in and trust this new leader to lead their organization, but also on the confidence of that new leader, who's already feeling these extra burdens of their identity in this context without any additional support**, without any intentional thinking too often around what it means to do that extra work, that extra labor of being a historic first leader.

And the same can be so true for that reality of isolation and loneliness. You know, it can be particularly hard to access peer networks in these fields or ecosystems where there may not be enough historic first leaders, or, for example, leaders of color, who can intrinsically identify with what that leader is going through and who that leader needs to be able to build networks with so that they can have that solidarity. I just think that's so critical.

BIPASHA: [00:56:15]

I'll just build on that Joey because I think something that a number of our leaders have told us that I'd like to share with our listeners that really stuck with me. So one of our EDs, one of our leaders we supported, was the first time ED of color in their organization, just shared that they felt as a leader of color, in her case as a black woman, she did not have the space or grace to fail and to learn. And I think that is such a critical point that this report uplifts but also that we

would like to share with those listening in, is that **all leaders need the space and the grace to be able to learn from their missteps**, but oftentimes these leaders who come from historic first backgrounds, are the ones who aren't given that space.

And we as a community, as a funder trying to create space for communities, really also tried to think intentionally about who are in our community to support each other, who are the leaders with similar experiences, where are these individuals coming in, these leaders coming and can lean in on each other. And that was an increasingly important frame for the New Executives Fund to think about in terms of how we create spaces and supportive environment for these new leaders.

RUSTY: [00:57:33]

Yeah, I think one dimension of this, what's been called the "glass cliff", when people of color and women are set up to fall off the glass cliff rather than, as they try to break these glass ceilings, is that sometimes research in the business world has shown that women and people of color are hired as CEOs when there's a problem in the organization to fix, whereas white guys are hired when things are going great. And so, in my experience, in my network, I've seen at least, I can think of three times at least, when women of color were hired and then they realized there's a financial crisis or a big debt that the organization's carrying that they weren't really told about during the interview process. So now they're not only responsible for being a transformational leader and having a vision and trying to move that, but they're now anchored weighed down by this debt or some kind of problem, that makes it even harder to meet their own goals. They have to fundraise to fix the problem, to close the debt, not even fundraise for something visionary and forward-looking. So, all of those dimensions, funders may not know about that when they're looking from the outside, for example. So I think it's so important that funders just step up to that plate and support folks who are coming into these roles.

BIPASHA: [00:59:01]

A clear trend that we also saw in our review of many, many applications for these grants over the past 10 years. It's certainly something we've seen repeatedly.

RUSTY: [00:59:15]

It is just so brutal, I'm not surprised, but I am sad to hear that. Okay, so we've covered the key findings mentioned in the executive summary but there's a lot more in the report that we've run out of time to talk about. So do you want to share any other key highlights that folks could find in the report when they take a look?

BIPASHA: [00:59:34]

Yes, thank you. Rusty. Thank you for bringing this up because I think there's a part of the report that I really want to uplift here, which was a fun part for us to read but also a concrete piece of value that I think this report has to offer for new leaders or leaders who are planning to come into their roles as new executive directors, which is a standalone report that is excerpted from the full report. And those are messages to new leaders from our community. And I would just highlight that there's a real balance of different things in this set of messages. But I would really

encourage those in nonprofits who are planning to come into new positions or already are in new positions, to really take a look at what they can learn from others who have been in their place.

RUSTY: [01:00:25]

Fantastic. Yeah, that is so important to give EDs that opportunity to hear from their peers because it really is lonely at the top and it's hard to talk about some of these things with your board or your staff. And sometimes you don't know who else is out there experiencing the same thing. So I think the field will be fortunate having documented some of these things. Is that as you said, informally people talk about, but to have a major foundation say them out loud, if you will, and to document them both for funders and for nonprofits, it's so important. So thanks for sharing that as well.

Alright well we could keep talking about this for a long time further, but we are getting toward the end of our time and I really appreciate both of you being here and your time. Thinking about the questions we had talked about, I was curious, there are other things one might do as a funder to support executive transitions beyond what you've been able to do so far, which is very important what you are doing, but I wondered: if the two of you could invent a large foundation, if money were no object for the New Executives Fund and they could grow and expand in different ways, what else would you do? What other needs and gaps would you look to address?

JOEY: [01:01:56]

Yeah, I'm happy to take a stab at this. I love these kinds of questions because as much as we love supporting leadership transitions and these amazing incredible leaders that we've had the privilege to partner with, there are so many other ways to kind of expand the impact, and this is where I really appreciate being in community with other experts in this space, other grant makers, other thought leaders. Because in many ways the reality is that this fund is a pretty limited approach and a fairly small program. So I appreciate the invitation to think about what if you lived in abundance and without constraints of things like funding?

For me and this gets back to an earlier question around how our leaders come to us. And the answer for the New Executives Fund is through a closed internal nomination process. As much as I appreciate and really celebrate the work that we've done, I think to create a nomination process that opens up our kind of surface area, to be able to make new relations with leaders that may not have come across our radar, I love to imagine what it would look like to have a kind of invitation process that could be open to as much as possible. What could it be like to imagine as open a call for proposals as possible for new leaders and transitions, given especially these days where it's now unmistakable that the frequency and the extent of complexity and difficulty of leadership transitions are both surging.

On that front also, the New Executives Fund only begins its intervention after a new executive director or executive leader has already been appointed. Which of course is often way too late, when it comes to being thoughtful and intentional about supporting an entire leadership

transition. And so I have a lot of enthusiasm for funders that are finding new ways to meet that challenge earlier, whether it is opening spaces for conversations with leaders who have either begun to think about stepping away or creating the space and flexibility for them to start that conversation not only with others, but even with themselves.

And then also, you know what it means for folks to step away and what are the barriers that funders and others can help remove to allow for healthier transition. Maybe it has to do with what one's life purpose is after leading an organization that one has dedicated their heart and soul to for so long. Are there ways to create opportunities for them to continue to be leaders in a movement but not necessarily with a particular organization, and also frankly, it's a very real thing that we have to recognize that no one's in this space to make a ton of money and to leave any position, including an executive position, from a nonprofit organization has to raise questions about financial security and what it means for someone to be able to sustain themselves. And I think that's an interesting place where funders can play an important role as well. And I really am excited by other funders who are thinking and doing great work in this space.

BIPASHA: [01:05:32]

Thanks Joey. And I really want to uplift some of those points because they relate to something that we've always been very intentional about, is that we're not talking about the moment of transition but rather the period of transition, that **the leadership transition is not one solitary moment defined by a new ED coming in**, but rather there it's a long, Rusty, you've experienced this and you've talked about this, **but this long process that can take a number of years**. And so Joey, I love those ideas that you shared.

A thing that I would add that has been on my mind for a number of years and now perhaps there are new ways in which I can think about this, is over the last few years I've developed a real appreciation for experiential learning, for this notion of taking yourself out of the daily grind and being in spaces that are new to you, in some way to learn, to get uncomfortable, to see new realities, and then reflect and digest within a safe space, within peer groups. To really think about what does this tell you about changes you need to make back in your home environment. And I can see experiences like this being important both for outgoing leaders, as well as incoming leaders. In fact, a few more regionally specific foundations like the **Bar Foundation, the Durfee Foundation**, they have programs like this where they take leaders out of their everyday space and expose them to new realities. And that's something that I experimented with a bit at the Open Society Foundations through groups of staff. But it would be really interesting to see how we can expand on this notion to support outgoing and incoming leaders, because that creates moments of creativity, opens up their minds to new ways of thinking and being, and just get inspiration, just get ideas that they can try to implement with, whether it's discretionary funding or whether it's other ways of convincing donors of investing in their people or investing in their structures.

RUSTY: [01:07:28]

Totally, yeah. I mean, the building blocks that you all have laid out of these different dimensions of leadership, exits and entrances and ascension and departure and transition... I really think a foundation could have a very good time and a huge impact if instead of focusing on funding programs and projects, it really just focused on process, supporting the people of nonprofits to do their best work and to sustain themselves throughout. That is huge, right? The things you just laid out, helping an outgoing leader, helping an incoming leader, helping a current leader rejuvenate and reconnect to their vision. All of those things are so critical and deserving of investment.

I think Durfee has done such a nice job of providing sabbaticals and other opportunities for EDs to reconnect and think and reflect. I'm glad you drew them out, as well as Bar, which is that Bar Fellowship, which I think must be a phenomenal experience for people going through it, to connect with other EDS in their community, to get away together on a trip. All these elements that they put together. So, thank you for lifting up those funders. And we did have **Roger Nozaki from Bar on this podcast, in season 2.**

We also, as a matter of fact, had my transition coach on in season one, so that's a good episode. We didn't talk too much about my transition, I don't think, but he's somebody who's helped early on shape this executive transition management consulting process. That's so important to have folks who can facilitate these processes as allies who are not the funder and are not on staff, but those consultants. So thank you both, for stepping back from what you do to think about what could be and what needs to be done, here as we wrap up.

I want to make sure we mention how folks can find the New Executives Fund, the report and some of the funder networks that you all are part of in the conversations in the field. So you want to share a little bit about where people can find these things and we'll make sure to post it on the show notes as well.

JOEY: [01:09:49]

Sure. So **the report from the New Executives Fund is called In Support of Those who Take the Leap: Lessons on Leadership Transitions from the Open Society Foundations New Executives Fund.** And you can find that on the publication's page of Open Society Foundations website, which is **opensocietyfoundations.org.** And I'm also happy to share some of the really great resources that certainly helped me. Again I'm relatively new, I don't know how long I can keep saying that, but it's only been about three years after spending almost my entire nonprofit career on the grantee side, and there have been a few **networks that I've just found so much support from.** One of them is the **Leadership Funders Group, they are at leadershipfunders.org** and this is a really great group of funders who have all kinds of really fascinating and interesting leadership development programs, very thoughtfully and wonderfully **facilitated by the Building Movement Project.**

And by the way, while we're on that topic, I just wanted to do a quick shout out back to, speaking of glass cliffs and EDs of color, the **Building Movement Project released a really great report called Trading Glass Ceilings for Glass Cliffs,** which among other things, really underscores the

additional and kind of invisible and uncompensated labor that new EDs of color are expected to perform. But I guess they're only supposed to do it without ever talking about it and without anyone ever seeing it and without ever being compensated for it, unfortunately. And the report really takes into that.

I'll also do a shout-out for the **Leadership Transitions Funders Group at Philanthropy New York**, which I am on the steering committee for, and I inherited that position from Bipasha after she left Open Society Foundations, so thank you Bipasha for that gift, it really has been a gift. It's a really wonderful careful group, and in particular, I wanted to share that I think in the coming months, if not weeks, **we will be launching a community of practice around leadership transitions which we really hope to be a space for funders to come and talk openly and honestly about the challenges of supporting transitions** and learning from each other about how it works, sometimes how it doesn't work, and how we can kind of leverage our community to get even better and show up even more for leadership transitions.

RUSTY: [01:12:27]

Fantastic! Well, I'm glad that funders are getting together in New York and around the country on these issues. I'm glad you lifted up all of those groups and reports. **We had on Sean and Francis from Building Movement Project, I think in season 1 of the show**, but it was before that report about glass cliffs and glass ceiling. So maybe we should have them back on to talk about that report as well.

Well I just thank you both for your work, thank you for being here to share knowledge from across the, almost 10 years of the New Executives Fund at Open Society Foundations. When it turns 10, I hope there's a big party and we can get together in New York City and celebrate all of those who take the leap to serve as executive directors in organizations and to support social movements. So, thank you both for your work and thank you for your time this morning, talking with me.

BIPASHA: [01:13:26]

Thank you Rusty. Your podcast has always been a source of inspiration and it's exciting to share some of our learnings on this episode.

JOEY: [01:13:33]

Yeah, thank you, Rusty. It's been a lot of fun, really, really appreciate it.

RUSTY: [01:13:36]

That's awesome. I'm glad you're here, now you're part of it, so you can't get away. Thank you! I'm gonna say farewell.

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