PEOPLE FIRST

SCALING IMPACT THROUGH TALENT MANAGEMENT

dasra

CONTENTS

Executive Summary

People form the backbone of most organizations. It is often the people – their capabilities and passion – that propel an organization towards achieving its mission. Most non-profit leaders acknowledge that talent management is one of the biggest challenges they face in building organization capacities. Yet, investments in human resources or talent management as a function are often non-existent, infrequent or unplanned in nature.

Several factors that are specific to the non-profit sector make approaching talent management all the more unique. For example- passion to solve some of the most difficult social challenges is what often motivates people to work in the non-profit space, whereas in for-profits, there is a revenue-generating motive. There is merit, therefore, in approaching talent management in this sector with a different lens. What adds to its uniqueness are factors such as:
1) Operating in difficult, remote locations that are resource constrained; (2) Focusing on emotionally intense domains, like human rights, trafficking, child sexual abuse, which can take an emotional toll on employees; (3) Operating with leaner budgets & funding constraints than for-profits; and (4) Employing a complex mix of employees, like frontline workers, functional specialists, program staff, etc.

Dasra undertook a data-driven study of Indian implementing non-profits with an aspiration to scale their impact. The study aimed to understand the talent management landscape and the constraints Indian non-profits face in adequately investing in talent. We conducted secondary research, a series of in-depth interviews with non-profit leaders, funders, and intermediaries, and administered a survey to implementing non-profits across India (which received 97 responses). What emerged through this was a clear picture — that when it comes to investing in talent management, there is still a lot to do.

Decoding rootcauses and challenges

Our study revealed two root causes that affect prioritization of talent management in an organization:

A. Funding Crunch and Uncertainty of project-based funding.
B. Founder-leader's ambivalence towards talent management.

These root causes lead to other challenges that impede an organization's ability to invest in talent management:

1. **Reactive organization structures:** Non-profits shy away from formal structures, as they tend to see them as restrictive or something that 'corporates' do. However, as organizations grow in size, allowing structures to evolve organically versus planning for them often leads to challenges like a lack of role clarity and unclear reporting relationships.
2. **Struggle to hire high-quality talent and avoid culture dilution:** The challenge with respect to hiring, especially for senior and specialist roles, is two-fold: dearth of quality professionals to meet non-profits' complex needs as well as the inability to match for-profit salaries and incentivize professionals to work in resource-constrained environments that non-profits operate in. With the influx of different kinds of talent, guarding against culture dilution adds to the complexity.
3. **Difficulties engaging & rewarding people aptly:** Non-profits are not thinking beyond compensation to keep their diverse workforce motivated. Non-monetary engagement mechanisms are not being used and customized adequately such as career growth plans, learning & development opportunities, feedback mechanisms, etc.
4. **Unplanned leadership transitions:** Non-profit leaders often do not plan their transitions in advance. This results in not enough focus on grooming leaders from within, as well as inadequate internal communication in case of external hires.
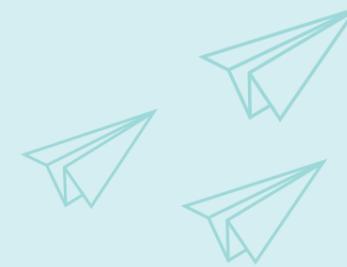
Driving action: by non-profits, funders and sector on the whole

Dasra's report *'People First'* aims to spark a conversation between non-profits and funders around the value of investing in talent management. The uniqueness and challenges of the sector call for both non-profits and funders to drive action. The report provides recommendations that can be used as general guidelines and actionable tips to get the ball rolling.

For non-profits, we have identified some ways to get started:

1. **Treat talent management as a specialist function:** Non-profits need to think of talent management as an integral part of their organization strategy and build it out as a specialist function.
2. **Think of leadership transition before you 'HAVE' to:** Non-profits should be proactive about planning for leadership transitions and create a culture of grooming leaders from within.
3. **The whole is greater than the sum of its parts:** Non-profits need to start using the performance management system as a tool that enables each individual to understand the vital role they play in achieving the organization's mission.
4. **Compensation is important but not everything:** Non-profits must learn to think beyond compensation, and be creative about using different mechanisms to attract talent and create lasting value for employees.
5. **Craft a strong narrative and customize your ask:** Non-profits should clearly articulate their TM needs when approaching funders and build TM into grant proposals.

For funders, we have recommended the following:

1. **Communication is a 2-way street:** Funders need to encourage more dialogue around talent management, and probe into the right areas of TM support, beyond just talent hiring.
2. **Loosen up your purse strings:** Funders can provide a lot more funding-related support for the various talent management needs of their grantee organizations.
3. **Money is not the only thing:** Funders can also go beyond funding and provide hands-on or advisory support to grantees on their specific talent-related challenges.
4. **Good people build good organizations, but good organizations build good people:** Funders can urge their grantees to focus on people development across the organization, which is inclusive of but not limited to leadership development at senior levels.
5. **There's no need to reinvent the wheel:** Funders can modify and use their grant monitoring templates to capture crucial talent management-related details from grantees.
6. **Sharing is caring:** Funders can also explore the option of creating a shared services model, through which non-profits can pool and/or share talent-related resources with each other, at lower costs.

For the sector at large, we are suggesting ways to make the social sector a more desirable place to work and develop the talent landscape in the sector such as:

1. Attend and organize campus and career fairs
2. Allow for more mobility within the sector
3. Create more platforms for cross-sectoral dialogue and interaction between different stakeholders on talent-related issues, and enable knowledge sharing
4. Conduct more research on talent management practices in India's social sector
5. Develop more compensation benchmarking studies

While there is growing acceptance that talent is at the heart of every organization, there is a lot to do to ensure investment in talent management as a function is strategic and timely. And that will require effort from funders, non-profits, intermediaries, and all stakeholders to work together as a sector.

Foreword

The size of our country and the development challenges we face demand that we solve problems at scale. Yet, out of the 3.5 million non-profits that India has, only a handful have scaled. While there is an increasing realization in the development sector on the need for building strong and resilient organizations that can tackle these challenges, limited focus on and budgets for institution building, and especially for talent management, are the biggest hurdles non-profits face.

My 13 years at Akshaya Patra have taught me one thing and it is that the criticality of investing in your people cannot be overestimated. Akshaya Patra would not be able to feed a million school children without the contribution of each and every person in the organization. You need innovation and creativity to tackle problems at scale, but it is the talent that will help your organization deliver on its promise. Your people are your champions – they make everything happen.

The last few years have been very interesting for the non-profit space. There is an exciting shift of young professionals switching from the corporate to the non-profit sector. Young people these days are more experimental, driven towards meaningful work and giving back to the society. At Akshaya Patra, we may have people from different industries, but one thing remains constant: hiring people who want to make a difference in the society, who want to contribute, and also grow personally in their lives. As non-profit leaders, it is our responsibility then to provide a conducive, fulfilling, challenging and empowering environment. NGOs might not be able to pay the same scale of salaries as corporates but it is important we look after the needs and interests of our people. Naturally, this is hard for NGOs, as we work with public money and private donations, but if we don't look after the well-being of our staff, working towards the well-being of others is an unrealistic expectation. As we scale, we are cognizant of the inevitable challenges coming our way and are instituting several ways to be ready to tackle those. As an organization, we value simplicity and are conscious about keeping the personal touch. We do this by having two-way communication channels, ensuring that the feedback loop is closed, and that our employees are engaged beyond the day to day.

Today, there is an urgent need for allocating budgets towards non-programmatic costs if organizations are to scale. Funders and non-profit leaders both need to challenge the status quo and move beyond looking at investing in talent as overhead expenditure. Social change is a long haul game and funders need to think long term as they partner with non-profits. The unpredictability of funding is the biggest impediment towards an organization's ability to be focused and strategic in its people investments. If we want transformative impact, then we need institutional funding that is long-term as well.

It is heartening to see Dasra's work towards changing the narrative that encourages prioritization of talent investment. And Dasra's report is a very timely and valuable contribution towards it. It reinforces the fact that as a sector, we can learn so much from each other's good practices and journeys. I am positive that it will inspire much-needed dialogue on talent management as a critical scaling capacity and persuade us to always be people-first.

Shridhar Venkat
Chief Executive Officer
The Akshaya Patra Foundation

Foreword

People form the driving force behind any organization's ability to achieve its mission. Therefore, investing in your people – bringing them on board, engaging them and growing them is one of the most promising ways of growing your organization. While most leaders in both the for-profit and not-for-profit sector understand this deep causal relationship, the value of talent within non-profits in India is often underestimated and investments in people-growth deprioritized. Even though non-profit employees are disproportionately faced with unique challenges such as having to operate with limited resources in harsh emotional, geographical and social conditions, organizations are not able to sufficiently prioritize the needs of their most valuable resource – their people. This in turn affects the organization's overall ability to catalyze on opportunities and deliver impact on the ground.

At the Bill and Melinda Gates Foundation, people and people strategies have always formed the heart of our ability to ensure that every individual is able to lead a productive and healthy life, regardless of where they live on the planet. Our founders are very invested in ensuring that both the staff at the foundation and the people they serve stay at the heart of its organizational structure, programs and processes. Furthermore, as part of our India WSH strategy, we are focused on building strong and resilient institutions focused on driving action towards the Sustainable Development Goals by 2030. We realize that talent and talent management comprise an essential component of this institutional strength and are a defining factor in an organization's ability to scale impact.

While the unique challenges for each individual organization may be different – aligning on a shared vision and mission and organizational culture, building a strong second line of leadership, providing learning and development opportunities, developing robust performance management systems, or investing in the team's personal and professional well-being; the significance of these cannot be underestimated. It is important to spend time understanding and assessing these requirements early-on, so that organizations are able to work on solutions using a more systematic and strategic approach. Our own ethos has always been to create a conducive environment and enabling policies for each and every team member to thrive both personally and professionally, and we've hoped to echo the same philosophy and prioritization in our interaction and work with our grantees.

This report by Dasra is a timely effort to draw attention to the topic of talent and talent management within implementing non-profits in India. The research lays the ground for funders, non-profits and intermediaries to first understand the unique people-related characteristics and challenges of non-profits, and offers actionable tips for improvement. I am confident that this report will help spark richer conversations around talent in the social sector, and hopefully push both funders and non-profits to re-evaluate how strong institutions can be built for greater developmental impact, through strategic investments in talent management.

Madhu Krishna
Deputy Director & WSH India Country Lead,
India Country Office,
Bill and Melinda Gates Foundation

Chapter 1

THE UNIQUENESS OF TALENT MANAGEMENT WITHIN NON-PROFITS

India's diverse and fast-growing social sector is home to many non-profit organizations that are passionate about solving some of the most critical development challenges. While these organizations run many complex and innovative programs and projects to achieve their mission, it is their people who serve as the "engine" pushing the organization to achieve stronger impact on the ground — for the skills and capabilities that these individuals bring is what moves the program or project forward.

Talent in the non-profit space is usually driven by an innate desire to work towards a specific cause or towards the non-profit's mission, which is why non-profits are shaped by their unique people philosophies and practices. A people or talent philosophy is an organization's guiding principles for managing its talent — these are principles that guide how an organization selects, develops, advances, rewards, and compensates its talent. These philosophies may not necessarily be codified or documented (as we would expect from corporates), but they exist nonetheless, and are determined by a combination of factors distinct to the non-profit ecosystem.

Talent

This refers to the individuals engaged by an organization to support the advancement of its mission; it could refer to full-time and part-time employees, as well as volunteers.

Talent Management

This report defines talent management using the Grantmakers for Effective Organizations construct, as 'the systems and processes an organization has in place to effectively attract, hire, onboard, engage, develop and reward the people who will help an organization achieve its mission and, in the case of a scaling organization, enable it to attain better and more results.'

*For the purpose of this report, the terms "human resource management" and "talent management" have been used interchangeably.

Let us look at the example of Apnalaya, which is a Mumbai-based non-profit that runs community development projects to improve the quality of life of children from slums. Given that working with the community is core to its work, Apnalaya has made a conscious decision to engage directly with members of the community to support its work. For that reason, around 65% of the organization's program staff — including all its female mentors for the Sports for Development program— hails from the communities in which Apnalaya operates. This philosophy has not only directly influenced staff hiring, retention and engagement, but has also instilled a sense of pride and ownership amongst them, as they feel like they are leading the process of social change from within their community.[i]

Alternatively, for The Akshaya Patra Foundation (TAPF), which runs the world's largest school lunch program, its unique talent philosophy deeply influences the operations and structure of the organization. TAPF has a unique approach, in that it does not function like a 'typical NGO', and claims to have a 'corporate mindset with the heart of an NGO'. This reflects in its diverse talent pool where all the heads of departments and business leaders are from a corporate background and want to give back to society. The organization itself runs like a manufacturing set-up, providing an end-to-end service at scale, which is an uncommon model within the non-profit landscape. At times, the organization does struggle with managing such a diverse blend of people, but its leadership realizes that talent is their greatest asset in order to scale.

TAPF's CEO strongly believes one way of managing this talent is to focus on employee development. This mindset makes them one of the few non-profits in India with a separate Learning and Development (L&D) Head, in addition to an HR Head. The L&D Head reports directly to the CEO and leads an independent team. In addition to providing focused and relevant opportunities for growth to each individual employee, this set-up also enables the organization to identify and hone potential leaders internally. This is directly in-line with the organization's plans of rapid scale, for which they are trying to grow their internal resources rather than hire externally. Having a formalized L&D strategy and process in place allows TAPF to collect insights and understand trends on diverse employees within the organization. For example, strategies for motivating and retaining young talent who join the organization right after graduation and are looking for a career path within the non-profit sector. These insights play a crucial role in determining how TAPF approaches talent management, and ensures that the organization is mitigating for future risks as much as possible.[ii]

Therefore, even though the technical meaning of talent management may be similar for both the for-profit and non-profit sectors, the examples shared above illustrate that we must take into account the unique nuances of the non-profit sector. While talent in the for-profit space operates mainly with a profit motive, passion drives talent in the non-profit sector, though this passion may vary from person to person and from organization to organization (depending on the nature of work and core focus areas). These differences between the two sectors make it challenging and risky to apply ready-made talent management frameworks from the corporate sector to the non-profit sector.

Case study

Arpan: Building organizational resilience by being 'People First'

Growing up in a family of entrepreneurs, one could say that Pooja Taparia was meant to become an entrepreneur one day. A Design graduate, Pooja launched Arpan in 2003 as a volunteer project on the side while she worked full-time in design. She began working on the issue of Child Sexual Abuse in 2006 and today, 12 years later, Arpan has grown from a humble 3-member team to **100+** employees making it one of India's largest NGOs focused on the Child Sexual Abuse prevention. Arpan has directly impacted **200,000+** children and adults in Maharashtra alone through its prevention, intervention and training programs. Nationally, the organization has impacted **900,000+** children and adults through national-level partnerships. This number is expected to grow as Arpan sets its sights on becoming a national-level research and training agency on Child Sexual Abuse in the next 10 years.

If you ask Pooja what Arpan's secret is, the answer is simple: their incredible team. She believes that it is this "people" element that has been critical to helping the organization unlock its potential to create a 'World Free of Child Sexual Abuse'.

Pooja realized early that investing in people must be prioritized from the outset. She is committed to creating/modifying processes that support this talent "mindset"– for instance, Arpan's team members, across levels, are encouraged to identify areas of personal and professional growth, and invest in themselves. One of the ways in which this is formally done is through a training allowance offered to each employee, which increases as his/her tenure at Arpan increases. There are regular workshops for senior and mid-level managers on leadership, communications, scaling, and peer-coaching. Directors and senior leaders recently underwent a 360-degree leadership assessment to identify their coaching needs and areas of development support.

"As a Founder, I recognize that I need to keep growing and so should the team. That's why we encourage every single employee to undertake some course of their choice, which is relevant to their roles. We need to keep honing our skills and remain relevant to do our jobs well," says Pooja.

Arpan's values of empathy and compassion are reflected in how Arpan creates a supportive environment for the team. A unique therapeutic allowance of INR 1500 is offered to each employee every month. Employees can use this for their own mental well-being through enrolling in yoga classes, counselling or meditation sessions. Given that team members work with survivors of trauma and abuse, which can take an emotional toll on them, this allowance is Arpan's way of letting its people know that it cares for them and wants them to take care of themselves.

Hemesh Sheth, Arpan's Support Operations Director who leads Finance, HR and IT adds, "In my view, the open door policy at Arpan has given confidence to its team members. We also have skip level meetings, where Pooja meets all employees without their supervisors and this gives a space for employees to talk openly without fear about what's going well and the concerns they have. She also organizes skip levels for herself and requests that the Board members speak to all the Directors to obtain feedback on her."

Initiatives such as these have helped Arpan become a "Great Place to Work"-certified place, where each team member is able to connect personally to the organization's work and mission The journey hasn't always been smooth, and there have been some failures along the way. Still, the secret sauce has been Pooja's unwavering commitment to the people whom Arpan serves and those that serve it. Whether it is through grant proposals or conversations with funders, Pooja recognizes that without prioritizing and investing in people the way she has, Arpan would not have been able to positively impact as many lives as it has over the years.

"Our budget has always included a line item for capacity building, and thankfully no funder has ever asked us why we are asking for this budget. I make sure we explain that we are a skills-based organization. People are the key deliverable of the work we are doing, and so their salaries and capacity building is our most integral investment. Nobody who understands our work can argue with that."

Still, this is just the start. The organization is at an inflection point within its growth journey. Over the next 3 years, it aims to expand its programs through national-level partnerships and training initiatives. Pooja's aspiration is to build a resilient organization that can absorb rapid scale, and she acknowledges that it cannot be done without a keen focus on people. In partnership with her senior leadership team, she has devised a strategic approach to Arpan's talent management needs. One such decision is adapting the organization structure to have a strong team of nine Directors who lead different verticals at Arpan at the helm of organizational decision-making. Pooja believes a structure such as this will contribute to long-term sustainability by building a broad foundation of leaders. As it builds its readiness for scale, Arpan still struggles with people-related issues such as finding the right talent, avoiding the risk of culture dilution, compensating team members well, and gradually developing their mid-level management. But these challenges have only underscored the integral role of talent management in shaping Arpan's resolve to achieve its audacious vision.

"When you are here – you are a warrior for Arpan. It's like a battle that we are all in to create a world free of child sexual abuse. In this battle we all wear the same uniform, we think the same, we all feel the same, and our motivation is our vision and mission. Therefore, everything we do at Arpan unites us around this mission – this is the only way we will be able to, together, achieve our goal."[iii]

The unique talent philosophy and nuances of non-profits influence how and when they prioritize and invest in talent management. This is compounded by some constraints, highlighted below:

1. **Non-profits operate in very tough conditions**, such as rural, remote parts of the country. These places are difficult to access and severely resource-constrained. While this makes it challenging to hire and retain people with the right attitude and motivation, what may be equally, if not more important, is developing the ability to empathize with the sacrifices these employees are making on a daily basis to be able to fulfil the ambitious goals of the organization.

2. **Non-profits often work towards achieving outcomes in challenging and emotionally-intense domains, such as human rights, trafficking, child sexual abuse, etc.** This can take a toll on employees, especially field workers and specialists such as special educators, psychologists and community health workers, who have to work in difficult circumstances every day. Therefore, investing in the emotional, physical and financial well-being of employees becomes all the more crucial in order to scale impact.

3. **Non-profits have greater funding constraints.** Most non-profit organizations operate with limited funding, restricting their ability to prioritize talent or adequately compensate their employees. This in turn leads to a myriad other challenges, such as an inability to attract high quality talent, invest in their growth & development, and/or retain talent. To manage for this, non-profits need to rely more heavily on culture-building activities and innovative performance management strategies (such as providing non-monetary benefits).

4. **Non-profits have a complex mix of employees, and hence require a different talent management lens compared to the corporate sector.** While there are frontline workers who do most of the on-ground work, non-profits engage with other types of talent too that we have elaborated later in the report. These include functional specialists like communications, finance, talent management personnel, and the management cadre that needs to be able to work with all these employees and channel them towards the organization's goals. Many NGOs have also started hiring from the corporate sector, which adds another interesting dimension to the talent management challenges of a non-profit.

THE CASE FOR INVESTING IN TALENT MANAGEMENT

Non-profits today face the critical task of enabling social change. Taking on the breadth of problems that exist requires a resilient institutional structure that is equipped to not only handle such challenges, but also enable the organization to scale. Moreover, scaling introduces its own set of curveballs, overcoming which requires the organization to build new capabilities. Our report– *Ready, Set, Grow: Effective Capacity Building for NGOs and Funders who dream big*, discusses these in more depth. Often, the first step towards building these capabilities is for the organization to invest in people and people processes. It is the mandate of the talent management function to address the same.

Despite the evidence that points to the value of investing in talent management and its correlation to impact on-the-ground, talent management is often overlooked and under-prioritized.[iv] Non-profits typically only start prioritizing talent management when things start to go awry. For example, one non-profit leader reported that his organization struggled to perpetuate its culture as it began to scale rapidly, which in turn affected everyday operations and employee motivation. It was only after they administered an engagement survey that they realized the need to actively prioritize reinforcing their culture which they did by initiating regular Town Halls, providing more leadership development opportunities internally, and other culture-building activities.

Where investments in talent do happen, they happen in a manner that is not strategic. There are countless such examples: hiring an HR director without setting aside a budget; hiring specialists without sufficient explanation of the role or the organization's work; creating a performance appraisal system, which is merely an exercise on paper, and so on. Non-profits often tend to get caught up in the "textbook definition" of what talent management should include, rather than clearly think through how it links to their specific overarching organizational strategy and operating model.

As we detailed the unique talent management challenges of non-profits earlier, there are many reasons behind these investments not being strategic:

Historically, NGOs were staffed by volunteers and funds were raised within the local community. Except in rare cases, this model has become a thing of the past. However, the mindset still needs to evolve, from that of managing only passion-driven volunteers to managing paid staff and professionals for whom this is as much a career as it is the desire to make a difference.

Non-profits are born out of the founder's or a few individuals' passion towards a particular cause. It only seems natural to direct all expenses toward program outcomes, resulting in lesser than adequate investment in staff beyond their salaries.

Non-profits depend on project funding, which means that investing in people, other than on their salaries, is often not included in the project proposal or budget. Key functions like staff training, growth and development, for instance, are overlooked in favor of direct project services or deliverables.

Funders who might be unable to see a direct link between investing in talent management and impact on-the-ground. Therefore, talent management costs are still referred to as "overheads" in grant proposals and/or conversations.

These factors contribute to the vicious loop that many non-profits and their funders find themselves in. Non-profit organizations cannot compete with their for-profit counterparts when it comes to compensation, and therefore struggle to attract the right quality talent. When they do hire quality talent, they struggle to engage and/or retain this talent. Over time, this churn in employees affects the non-profit's ability to hit its audacious targets, which in turn further limits its ability to justify the acquisition of talent and results in demotivating new talent from joining.

That being said, non-profits are beginning to become more aware of the pitfalls outlined above. There are also some trends reinforcing the increasing value of investing in robust talent management practices. These include:

• Greater number of people wanting to join the non-profit sector

The pool of talent that is interested in joining the not-profit sector at all levels is growing. There is also an increasing inclination to leave the corporate world for this sector. One reason for this could be the working environment and fulfillment that employees in the social sector have reported feeling. *The Great Places to Work* 2017 Survey found non-profits to be quite ahead of the corporate sector in providing a positive and engaging employee experience.[v]

• Need for diverse skillsets in the non-profit sector

NGO leaders have started realizing the need for bringing in people from diverse backgrounds, for certain expertise and skillsets. With time, there has been a greater recognition of the kind of professionals they can have access to if they are able to pay better.

However, even though there is greater realization of the need, and the pipeline of talent is improving, the issue of attracting and managing talent remains pertinent. Professional development, performance management, rewards, career planning and advancement are all functions that need a stronger strategic push[vi]. For instance, there needs to be a re-orientation for talent coming from the corporate sector. There are players such as Crossover Catalyst that facilitate and enable cross-sector transitions, and programs such as the India Leaders for Social Sector (ILSS) program incubated by Central Square Foundation (CSF), and the Indian School of Development Management (ISDM) that support the movement of top corporate talent. But doing all this at an organizational level requires thoughtful planning and an adequate allocation of time and other resources.

"Your employees embody who you are as an organization. They are on the frontline, working with your partners, with your clients and with your beneficiaries. How your employees embody your values and help you to pursue your mission greatly influences if you can achieve your goals as an organization."

-Jacob Schultz, Philanthropy University[vii]

Fortunately, what we found in *Ready, Set, Grow* is that many non-profits and funders are gradually joining the discourse on institutional capacity building, and are slowly recognizing that investing in institutional capacities is instrumental to scaling impact.[viii] Moreover, there is a small but steadily growing pool of funders that are supporting talent development initiatives for their grantees. The A.T.E. Chandra Foundation is one who believes that investing in building organizations is the way to unlock potential and future growth. Beyond providing unrestricted funding that non-profits can use for capacity building initiatives, the Foundation has also encouraged leaders from its portfolio organizations to attend leadership development programs, in order to more effectively steer strong performing organizations. The Foundation has gone one step ahead by building ecosystems for leadership development, through its support for premier non-profit leadership programs in India, such as the Harvard Business School's Strategic Non-Profit Management India Program (SNMI), as well as the Dasra Social Impact Leadership and Accelerator Programs (DSI LP and DSI AP, respectively).

Despite a promising momentum, there is still a long way to go. Most funders still tend to be program focused, and often let investments in human capital slip through the cracks. What many fail to realize is that investing in people is the first and foremost critical step toward building a strong foundation upon which organizations can undertake any kind of operational, programmatic, financial, or organizational development.

"When you're dealing with people, knowing how to manage these people is everything. I'm not saying you need to create succession plans from day zero, but just understand what these people would do best. As non-profits, resources will always be crunched because the mandates are huge. But if we understand that people — not money or anything else — are one of the most sustainable resources and if we manage our people better, then that can be critical to making a difference."

-Sonal Kapoor, Founder, Protsahan

To create lasting on-the-ground impact and build resilient organizations, leaders of these organizations must invest in talent early and appropriately. This is true more so for organizations that want to scale and grow beyond their current stage of growth.

LAYING THE GROUND: OBJECTIVE, SCOPE, AND METHODOLOGY

This report aims to spark a conversation between non-profits and funders around the value of investing in talent management for non-profits across India. If you are a non-profit, this report will help you understand exactly what talent management comprises. It will encourage you to have more informed conversations, and start early when prioritizing and investing in talent management within your organization. It will also give you some handy and actionable tips on how to address talent-related challenges more proactively.

If you are a funder, this report will provide insights to help you better understand and support your grantees, ask the right questions and drive support for talent management within the not-profit ecosystem as a whole. We hope this report pushes the conversation forward and provides insights into the uniqueness and criticality of talent management for implementing non-profits.

Given that the non-profit landscape in India is large and diverse, we have restricted the scope of this study to address **talent management for Indian implementing non-profits that have programs on the ground, those that work directly with individuals or communities and aspire to scale.** Further, at Dasra, we believe that the funding landscape is fast-evolving and maturing, and we hope the report helps drive the conversation around talent management forward with funders.
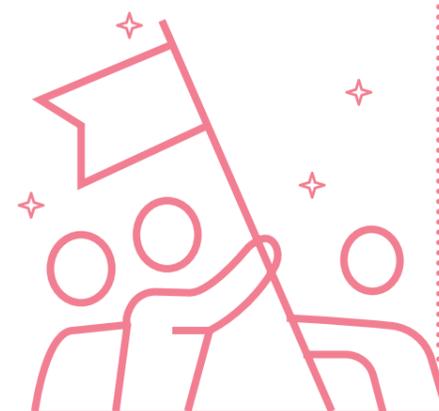
Our research adopts a mixed-method approach, which consists of a combination of the following:

Secondary Research

The first step included reviewing existing literature and resources (including academic papers, independent research studies by foundations and intermediaries, news articles and blogs) on talent management and strategy within non-profits in India and globally. While in the recent years there has been growing interest and conversation around non-profit talent management globally, there is a paucity of data that speaks to this subject in the Indian context.

Expert Interviews

Dasra conducted 30 in-depth interviews with non-profit leaders, funders, and talent intermediaries to develop an understanding of their challenges and practices and validate our findings. **Appendix A** contains the complete list of interviewees.

Survey of non-profit leaders

The in-depth interviews were followed by an online survey sent to hundreds of non-profit leaders. The survey aimed at collecting quantitative and qualitative information on non-profits' talent management priorities, practices and challenges. The survey received 97 responses, out of which around 85% of respondents indicated they were Founder/CEO, CXO/Executive Director, or Human Resource Head at their respective organizations. The survey was administered to a diverse mix of non-profits across India that varied in age, budget, team size, geographies, and sectors. Please refer to **Appendix B** for a profile of the survey respondents. For the survey outreach, organizations were sourced through a snowball sampling approach through:

- Dasra's network of organizations that are in its capacity building portfolio or have interacted with Dasra through either the Dasra Social Impact Programs or the 10-to-19 Adolescents Collaborative.
- Grantee portfolio organizations of a few funders such as A.T.E Chandra Foundation, EdelGive Foundation and the Azim Premji Philanthropy Initiative.

Chapter 2

DECONSTRUCTING TALENT MANAGEMENT

In the previous chapter, we discussed the 'why' of investing in talent management. In this chapter, we will explore the 'what' of talent management to better understand how to unpack all its components in the context of the non-profit sector.

FOUNDER'S MIND-SET AND TALENT MANAGEMENT

Talent Management for every organization looks different as it depends on the nature of the organization's work, geography, sector and subsector in which an organization operates, amongst other factors. Our experience and literature suggest that the strongest driver of an organization's talent philosophy is the **founder's mindset**. Being mission-led organizations, non-profits are guided by the founder's vision and philosophy, which permeates through the fabric of the organization. And while it may not be thought of as a talent mindset, per se, it still exists in every organization.

Consider the example of LeapForWord, a Mumbai-based education non-profit, whose founder Pranil Naik believes that work is a means of personal development and growth, and too many structures can come in the way of that. He is pragmatic to acknowledge that vertical growth can be limited (due to reasons beyond his control at times) and employees will not always be around. But he believes that there can be no greater reward than visible skill development; he believes in the inherent power of work. This is what guides his philosophy of investing in people.

Pranil believes that "the more the individuals grow, the more the organization grows as well. Everyone may not get a chance to run the current organization but outside of it, someday they may be able to run an organization of their own. While people are here, how can I create opportunities for people to experience what it is to run an independent organization on their own."
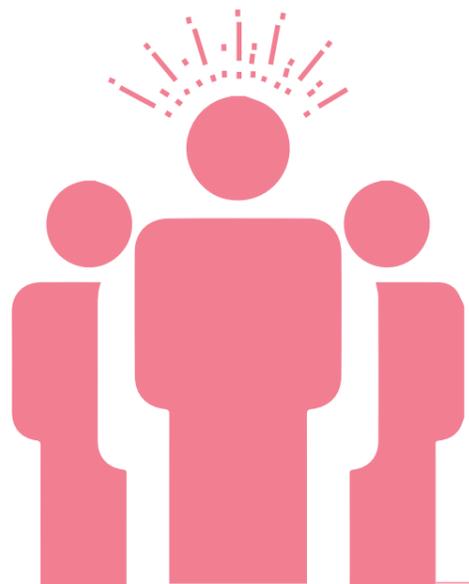
It is the leadership foresight and vision that guides the values of an organization, attracts employees to the organization, and lays the foundation for a talent philosophy of the organization. Acknowledging the role of the founder is the first step toward deconstructing talent management and thinking about it strategically. There are two basic ways in which the founder's mindset plays out:

Positioning of talent management

How talent management, as a function, is perceived and prioritized is directly influenced by how highly the leadership values it. If the leadership believes that investing in talent management is a non-negotiable, then chances are that the organization has a more robust talent management team in place, which is involved with strategic decision-making for the organization as well. However, if the leadership views talent management as a mere operational function (for example managing payroll, attendance, leaves, etc.) needed to keep the organization moving, then employees may not see the value of investing in talent management.

Talent Philosophy

As mentioned in the first chapter, a talent philosophy's purpose is to help guide all decisions related to talent. An effective talent philosophy is critical to guide an organization to achieve its mission and goals. For corporates, the executive teams create the talent philosophy; for non-profits, the founders determine this. Since, talent decisions have to be taken on a regular basis, non-profits will have a talent philosophy in place regardless of it being formally codified.

A Framework for Deconstructing Talent Management

The following framework adapted from "HR Here and Now"[ix], describes the components of and demands placed on, talent management as a functional area. This framework is not representative of how an HR or talent management team should be structured. Rather, it aims to provide a lens with which to view and understand the various components of talent management and how they are inter-connected.

Make Organizations Effective

Organization vision and alignment; culture-building/reinforcement; organization structure; work design

Manage Basic Talent Management

Talent Management Operations

Recruit Talent

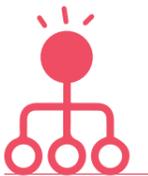Talent Attraction, Recruitment, and Onboarding

Engage Talent

Performance Management, Learning and Development, Career Management, Rewards and Recognition

Develop Leaders

Leadership Development, Succession Planning

There are 5 demands that are placed on any talent management function:

Make Organizations Effective

The primary role of talent management is to enable organizations to become more effective in achieving their mission/vision. Organizational effectiveness hinges on its ability to lead and embrace change. As organizations evolve, they need to keep making changes to their design, structure, and processes on an ongoing basis — all of which have some or the other human implications. Talent management has a role to play in not only identifying the requisite changes but also effectively implementing these changes in the organization. This demand thus entails:

(a) **Crafting a talent management strategy and roadmap** in line with the organization's mission/vision/strategy.

(b) **Designing the organization for effectiveness –** an operating model and an organization structure that delineates roles and responsibilities and enables better decision-making.

(c) **Shaping organization culture** through articulation of its values/guiding principles, and communicating and supporting culture-building/reinforcement. Many change management efforts involve making changes to the culture in a way that builds positively on a shared commitment of staff and volunteers to the mission. In the case of non-profits, culture plays a vital role because it is the culture which holds the organization and its employees together. A strong culture, for example, is often the reason why non-profit employees are willing to accept relatively low salaries (than their corporate counterparts), even if the volume or breadth of work remains the same, if not more.

Recruit Talent

The second demand refers to talent acquisition, which is the process of attracting, recruiting, and onboarding the right talent for evolving organizational needs. For many non-profits, publicizing its very existence is often the most important step to attracting high quality talent. This entails:

(a) **Creating or strengthening the organization's brand** to increase its visibility and ability to communicate more effectively about the work that it does;

(b) **Identifying talent gaps** in line with the organization's growth plans;

(c) **Assessing candidates** for not just passion and skill fit but also culture fit.

(d) The last step — one which is usually not given sufficient attention — is **creating customized onboarding plans,** which may differ according to position and level, to ensure that the new hires are set up for success and are able to contribute effectively.

Engage Talent

Non-profit institutions are essentially human "change-agents", and unlike for-profit companies, they will always have a multitude of constituencies.[x] This means that understanding the needs of different talent pools, engaging them, and providing a motivating work environment becomes all the more complex and thus, challenging. Focusing on this area is especially pertinent since compensation in the social sector is generally lower. A continuous and ever-evolving process, engaging talent entails:

(a) **Managing and measuring performance:** In the social sector, it is particularly challenging due to different types of talent (such as field workers vs. technical

specialists vs. general office staff) and the nature of work that exists (for example interfacing with the government, communities, and more). However, to assess impact accurately, having clear individual and project goals linked to overall organizational goals is crucial. Such thoughtful performance management systems also engender a culture of constructive feedback.

(b) **Rewards and incentives:** Having clear employee recognition for performance, whether monetary or non-monetary, is critical. Non-profits should look for ways in which they can show their paid staff, their volunteers, and their leadership that they are valuable members of the organization, and that their work is being appreciated.

(c) **Providing learning and growth opportunities:** Although a vast majority of the non-profit workforce is mission-driven, and hence has an innate desire to give back to the organization, it is still crucial for non-profits to invest in their employees' personal and professional growth and development journey to enable them to become more effective.

Develop Leaders

Another key demand placed on any organization is **building high caliber leadership that can effectively lead an organization to scale.** A senior team's competence is often the fundamental factor in an organization's ability to make strides towards ambitious goals. Many research studies have shown that investing in building leaders has a high return on investment. Building the capacity of leaders is one of the most effective ways to make a non-profit's work more meaningful to its community. This entails building future leaders and preparing for change through effective succession planning that ensures sustainability of impact.

Manage Basic Talent Management

The most basic and foremost task mandated upon the talent management function involves **managing a spectrum of tasks that fall along the employee lifecycle**, from joining to exiting an organization. These tasks include formalizing and administering basic policies like leave, travel, attendance, managing employee databases and documentation, meeting employee-related statutory compliances and more. As organizations begin to scale, many of them either outsource some of these routine tasks to third party vendors or use technology to automate them.

DECODING ROOT CAUSES AND CHALLENGES

Having explored the 'why' and the 'what', in this chapter, we will dig deeper into the challenges that non-profits face in acting on their talent management goals and the root causes of those challenges.

Two main root causes:

A Funding Crunch and Uncertainty of project-based funding

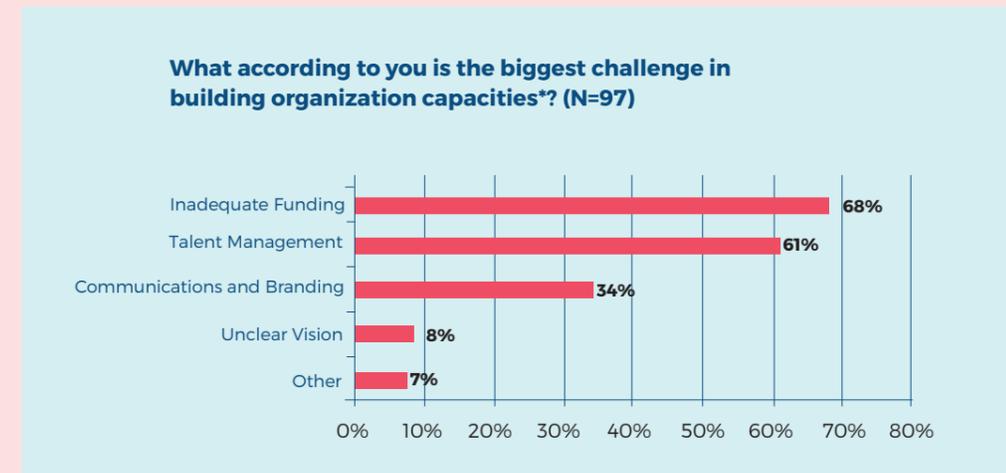**B** Founder-leader's ambivalence towards talent management

These root causes lead to other challenges that impede an organization's ability to invest in talent management:

1 Reactive organization structures

2 Struggle to hire high-quality talent and avoid culture dilution

3 Difficulties engaging and rewarding people aptly

4 Unplanned leadership transitions

A. Funding Crunch and Uncertainty of project-based funding

It is a commonly known fact that non-profits, compared to the corporate sector, are usually resource-constrained. For most non-profits, inadequate funding serves as the most fundamental challenge in building organizational capabilities. Sixty eight percent of respondents in our survey acknowledged this too. And talent management closely followed this.

What according to you is the biggest challenge in building organization capacities*? (N=97)

Challenge	Percentage
Inadequate Funding	68%
Talent Management	61%
Communications and Branding	34%
Unclear Vision	8%
Other	7%

Anshu Bhartia, CEO of UnLtd India (a launch pad and incubator for early stage social enterprises), stressed, "Talent is always a struggle, and it's always due to the money available in the bank." Funding constraints can be crippling and affect almost all aspects of talent management. But where it arguably pinches the most is when a non-profit wants to attract and hire qualified staff. If non-profits are unable to attract the right talent to begin with, then all further investments in culture, values, performance systems and rewards become essentially ineffective.

"When you dig deeper about why are you not attracting talent... compensation is one of the biggest factors, which is daunting. So it's just one thing to say that you want to attract top talent and you want the best talent to come and work with you, but if you're not able to justify what you're doing and you're not able to match the market salaries, then it becomes more difficult for you to attract talent."

– Saurabh Nigam, Vice President, Human Capital, Omidyar Network

Funding limitations not only adversely impact a non-profit's ability to attract talent, but it also affects the organization's ability to retain its current pool of talent or evolve to meet their talent's changing needs and expectations with increased salaries and bonuses. Our survey confirms that inability to offer higher compensation contributes significantly to high attrition rates of employees.

What are the top reasons for employees leaving your organization*? (N=97)

- **59%** Higher compensation
- **54%** Better career prospects
- **35%** End of project funding
- **31%** Lack of sufficient growth opportunities
- **28%** Higher education
- **28%** Challenges of working in remote locations

What proportion of your total budget is unrestricted*? (N=97)

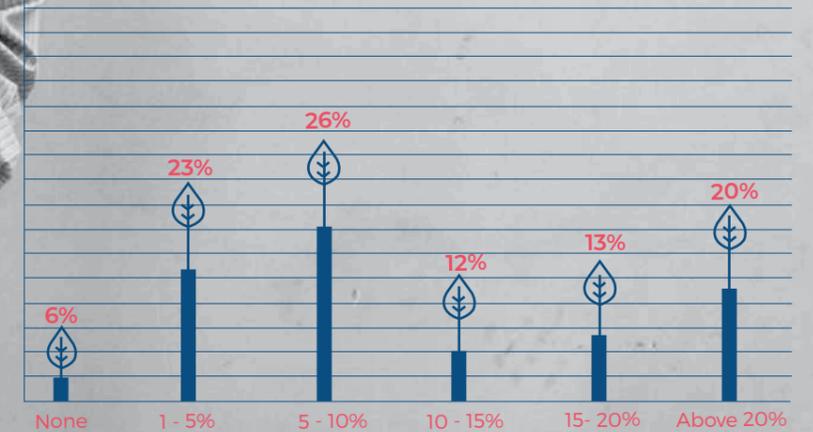| None	1 - 5%	5 - 10%	10 - 15%	15- 20%	Above 20%
6%	23%	26%	12%	13%	20%

"While money has been and continues to be a challenge to get new people on board; and even if we do manage to hire people, in a year's time, money will become a problem to retain the same people. We may not be able to pay for their increments. I think the challenge I foresee facing is the ability to fund people's real needs with an appropriate sum of money."

- Pranil Naik, Founder, LeapForWord

Moreover, close to 55% of the non-profits surveyed reported that their unrestricted funding is less than 10% of their overall budget. Even though the number of non-profits in our survey that indicated absolutely no unrestricted funding is small, it is worth noting that all of them, without exception, have a large total budget size of 1 Cr or more. One of the factors for this is our regulatory environment, an example being the Corporate Social Responsibility (CSR) Act, which encourages use of philanthropic capital towards programs over institutional investments. But our research suggests that there could be another explanation for this. Many funders typically view institutional investments, including talent management initiatives, as expensive overheads or as unnecessary expenditures. Unrestricted grants are still uncommon in the non-profit space, with many of the non-profit leaders whom we interviewed attesting that they still receive pushback from funders who want to keep "admin or overhead costs" low.

Today the growing trend of professionals from the corporate sector who seek to move to the social sector are, generally, those who have developed strong financial backing after years of experience in the for-profit world. And while it is encouraging to see that organizations like the Central Square Foundation offer programs like the India Leaders for Social Sector to ensure smooth transitions for these individuals, attracting young talent is also critical given India's large demographic dividend.[xiii]

Uncertainty of project based funding further complicates matters

The majority of funding in the non-profit space is earmarked to specific programs or projects. Any change with respect to the specific program, project or grant cycle can create an added layer of complexity to conducting talent management activities in a systematic fashion. For instance, uncertainty of project extension (contingent on the availability of future funding) sometimes prompts team members staffed on such projects to look for opportunities elsewhere — both of which adversely affects the projected impact. This often leads to increased attrition.

Furthermore, many non-profits have different projects funded by different funders, and vary in terms of budget size. The struggle for them is the disparity that this leads to in terms of the funding available for things like salaries. People with the same designation or at the same level could have different salaries on different projects. One non-profit leader commented, "We cannot have one project where people are getting far better salaries as compared to the other 70% of our employees. That is a sure shot recipe for disparities and people issues."

In another instance, a Karnataka-based non-profit that works with communities through focused interventions in health and education saw changes in its project funding leading to undesirable results in its overarching thematic areas of operations as well. This caused a lot of unwanted organizational disturbance as working in multiple thematic areas and with multiple funders made it difficult for it to maintain one single ecosystem within the organization. One of their leaders shared "funders have different expectations or funding patterns. There is more money involved in one and less in others. Balancing that out is a challenge."

When funders are unable to differentiate, or rather acknowledge the difference, between capacity building investments and overheads, the ability of their grantees to undertake strategic investment is vastly inhibited. And there are still a large number of funders who consider any activity outside of the project as undesirable overheads.

Until a decade into its existence, Quality Education Support Trust (QUEST), a non-profit that works towards enhancing quality of education in peri-urban areas, did not have any non-project personnel that was separate from their projects. QUEST Founder, Nilesh Nimkar, says, "I was the only person that was not a part of any project. We had people appointed to the project that were multi-tasking. This was not a very good organizational structure but we had no option. Even the biggest of funders then did not support institutional costs." The challenge facing many non-profits is that they survive project-to-project. This impedes their ability to create and invest in a managerial layer that is independent of projects. An absence of an independent workforce hurts the prospects of sustaining impact. Non-profits and funders need to accept that investing in the organization as a whole, instead of piece-meal or project-wise, is essential to improve the ability to scale operations and sustain impact.

As described in the earlier chapters, the Founders' mind-set plays out in multiple ways – it influences how founders:

- **Prioritize** talent management within the organization

- **Empower** and build the capacity of their talent management team

- **Create** buy-in with board and funders for investments

- **Build** a culture for progressive change and continuous improvement

Understandably, there are many valid reasons behind why founders may be ambivalent about investing in talent management. Engaging in talent management initiatives requires substantial time, funding and bandwidth from the founder as well as the organization. Being mission-driven and working in a resource-crunched environment, it is no surprise that founders find it difficult to engage in such initiatives.

Having said that, there are founders with old school mindsets who hold unrealistic expectations of the talent joining the social sector. They may shy away from providing competitive salaries required for ensuring a decent standard of living to their employees. According to Archana Chandra, CEO of the Jai Vakeel Foundation, "As NGOs, we penalize people for wanting to do good. It is okay to ask [for competitive salaries] in the for-profit space but in the NGO space, we ask 'How can we pay you so much? How can you ask for so much?' Why do we penalize people for wanting to do good? We should be paying these people better because the ask of them is so much harder." At the same time, non-profit leaders often have an opposition to too much "managerialism" or an imposition of for-profit principles that emphasize hierarchy and authority over flexibility and values. This impedes non-profits from putting in place necessary structures – a point that is further expanded upon in our first challenge.
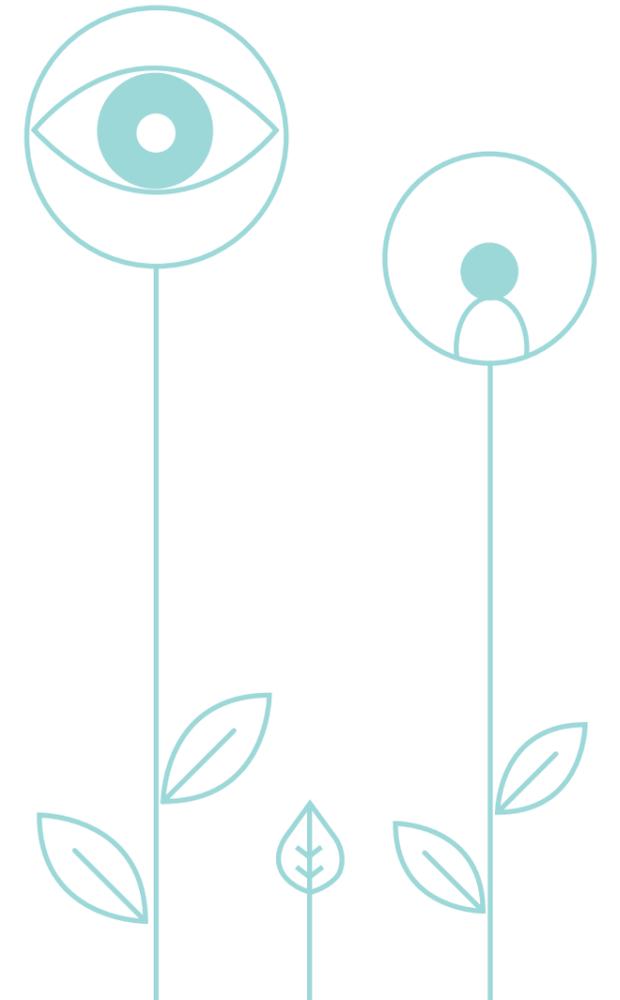
Being ambivalent towards talent management results in unplanned or delayed investments

Our survey data indicates that nearly 90% of non-profits have a formal long-term organization strategy in place, but of these, only 34% have created a talent management plan i.e. a plan for hiring, developing and retaining talent linked to the organizational strategy and goals. A talent management plan helps to identify and prioritize the talent management activities that can act as critical levers to achieve the overall strategic plan of the organization. At many non-profits, trustees and founders are used to managing talent on their own. Only when these organizations begin to scale to a point where such a system is not feasible, do these leaders consider talent management more holistically. However, by then it is usually too little or too late and many end up scrambling.

"In most non-profits, talent management is the last thing on their mind as they want to save costs in that area because they don't understand the value that talent management professionals bring to the organization. Unless and until you see a talent manager as someone who will take your NGO to scale, you will not prioritize it, where in fact planning for it has to start much earlier."
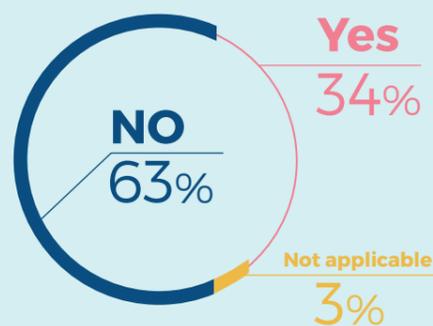
- Benaifer Reporter and Nitai Mehta,
Praja Foundation

Do you have a formal medium to long-term organization strategy (for at least 2-3 years)? (N=97)

No 11%

Yes 89%
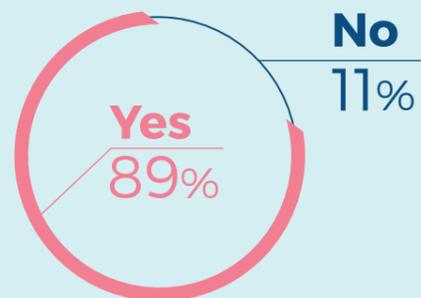
Have you created a formal TM plan linked to the organization strategy? (N=97)


Yes 34%

NO 63%

Not applicable 3%

This tells us that many non-profits struggle to recognize the value and role of talent management as a specialist function in a scaling NGO. About 72% of our survey respondents reported that their talent management/HR teams are mostly pre-occupied with managing operational tasks like payroll management, leave and attendance monitoring, which, in effect, does not leave much time to focus on the non-transactional strategic aspects of talent management. Nearly 30% respondents even shared that their talent teams spend time on general office administration tasks such as travel bookings, office administration, etc.

But TAPF, an organization that has scaled substantially already, is one example of an NGO that escaped this trap. They recognized the value of talent management early on in their growth journey and actively invested in their people processes. TAPF considers its current talent management team at the head office as a "Centre of Excellence" for the other local talent management teams. The head office team is responsible for analyzing talent-related best practices, and creating policies, processes, and frameworks to guide TAPF's talent management goals. These are then passed on to the local talent management teams who are responsible for contextualizing these resources to their local environment. The local talent management teams also play a strategic role within TAPF as they not only handle operational talent management tasks, but are also responsible to think of ways in which they can engage all levels of employees and strengthen performance management. Moreover, TAPF has a pan-India annual HR meet to facilitate knowledge sharing and the transfer of talent-related best practices. According to Shubha Goel, "This particular phase is actually helping us improve our performance system and MIS system and has enabled us to pave a direction on how we move forward. HR plays a highly significant role here."

What are the Top 3 buckets of activities that take up the most time of your HR team? (N=97)
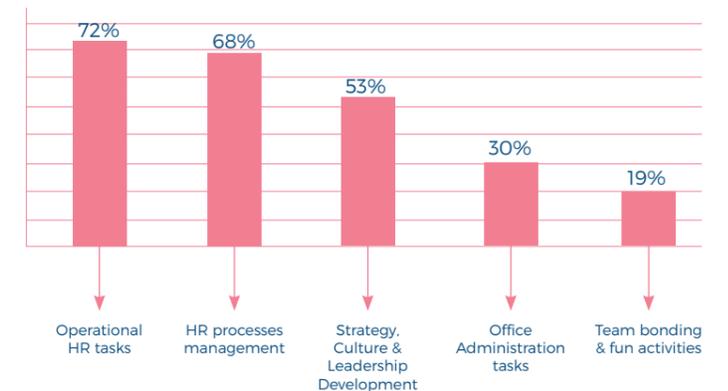
Note: Respondents were asked to select top 3 activities.

Activity	Sample Tasks
Operational HR tasks	Payroll management, leave and attendance monitoring.
HR processes management	Sourcing resumes, conducting interviews and following up on the performance appraisal process.
Strategy, culture and leadership development	Facilitating organization strategy, creating HR strategy, focusing on leadership development, culture and reinforcement.
Office administration tasks	Travel booking and office maintenance.
Team bonding and fun activities	Picnics, festival celebrations, annual days and retreats.

Founders define the culture of an organization and it is likely to evolve with growth and diversification. Founders need to be aware of the role their leadership plays in creating a culture that supports large-scale change.

And, while we acknowledge that inadequate funding is an obstacle to investing in institution building as shared in our earlier report – *Ready, Set, Grow*, the onus of educating and convincing funders on the importance of such investments including talent management lies with non-profits. Unless these initiatives stem from the NGO leader, they may not always materialize. The root-causes highlighted above affect how talent management challenges typically play out within an organization – these have been further explored in this chapter.

1. Reactive organization structures

Based on the framework established in the previous chapter, the following challenges emerged through our interviews and survey insights:

Reactive organization structures

Struggle to hire high-quality talent and avoid culture dilution

Difficulties engaging and rewarding people aptly

Unplanned leadership transitions

Many non-profit leaders are wary of having too many structures in place. As has been pointed out earlier, 'structures' may be seen as an imposition of for-profit principles. However, there is a downside to not having formal structures in place, which can result in these other issues:

- **Lack of role clarity:** While almost 90% of non-profits surveyed reported having a formal, medium to long-term organization strategy in place, very few of them are forecasting their hiring needs from a medium to long-term perspective – only 26% reported forecasting hiring requirements beyond a one-year horizon; and 21% forecasted only for 6 months or less. While forecasting hiring needs is inherently challenging for non-profits, having a reactive hiring process results in non-profits struggling to define roles clearly. This is especially true for senior-level roles where what is said on paper may not accurately reflect the true nature of the role. Job descriptions (JDs) that are not updated as per future needs result in potential candidates not understanding the required skillsets or having different expectations of the job, leading to disenchantment after joining.

Nitai Mehta, Founder-Director at Praja Foundation, said "We had JDs on the basis of which we were hiring folks but they were not detailed. Therefore you would find a brilliant job description existed but ultimately the person who came on board would only do a part of the job as described and part of something that came up in the organization at that point in time. Lack of clarity, doing ad hoc things, getting into details that were not part of the job would lead to attrition. So now we very much have a clear cut strategy that allows us to have clearly defined roles".

Lack of role clarity leads to other problems like unclear reporting relationships and stretched bandwidth at all levels. This can be problematic for achieving productivity in the long run. Many non-profit employees experience high levels of burnout that stem from having to wear multiple hats within the organization, in the absence of having sufficient talent to fill for each role. This means that though someone may be hired for an operations role, he or she may also be enlisted to support with finance efforts, in case there is a bandwidth shortage there.

- **Unclear demarcation between levels and reporting relationships:** Some organizations struggle to define employee hierarchy clearly and it is common to find roles or levels created solely to show career progression. There is little to no thought that goes into creating specific roles and responsibilities of the different levels or how they link to the overall reporting structure of the organization. We also heard from our non-profit partners, through our interviews, that in some cases, "managers" and "senior managers" do the exact same work, managing the exact same people, but with different designations and pay grades. This disparity can lead to disgruntled and disengaged employees.

Dealing with the increasing complexity and demands that are put on an organization while adapting for scale, requires consistent assessment of structures required to meet scaling-up demands. Non-profits like the Indian Institute of Human Settlements (IIHS) and QUEST have invested significant time and resources to develop their organogram and talent management systems, thinking through reporting lines and people assessment methodologies. This exercise has enabled them to streamline reporting relationships and become better equipped to manage the challenges that accompany scale.

When creating organization structures, leaders need to think about:

- Will they enable the organization's strategy and address future needs?

- Is the organization structure building clear accountability?

- Is the organization structure enabling or hindering decision making?

- Has it been created only with the existing employees and reporting relationships in mind?

- Are there any overlaps in the reporting structures?

- Who would be the ideal reporting manager?

- Do the reporting managers have bandwidth to manage people?

2. Struggle to hire high-quality talent and avoid culture dilution

Paying competitive salaries is a struggle. But it's also true that a higher salary, in and of itself, does not guarantee a better quality hire. Non-profits struggle with finding the right talent due to a multitude of other reasons. There is a dearth of qualified professionals for the kind of skills that NGOs require across sectors, geographies, functions, and contexts, and at the compensation that the sector is willing or able to offer. Hiring for specialized functions such as health care practitioners, subject matter experts or for field workers in remote areas is more difficult than hiring for generalist roles or roles based out of the head office. There are many reasons for this– first, the talent pool is much more limited and many qualified individuals prefer to work in corporate settings where there is less uncertainty and more structures in place; second, the concept of hardship allowance for remote locations may not exist. This is further compounded by a third challenge, which is that often the work that NGOs conduct is new and not fully understood by job seekers, rendering the social sector some sort of a "black box" to the outside world.

There is still little orientation to what the roles entail, the range of skills required, the growth opportunities available and the level of commitment expected and required. All these things make it difficult to incentivize individuals to work in very resource-constrained environments.

Alongside are a few excerpts from our interviews and survey responses illustrating this point:

"People have been our biggest concerns right from the beginning. Part of that is because we were looking for very specific kinds of people- people who have done inter-disciplinary work, work across two domains, or can understand and move across two practices. We are looking for people who could teach, train, research and practice. Now we have not always found people like that, our own director is not ready to make compromises on that."

"The moment you go to a specific state where you need to know the language, finding the right skills with the language proficiency becomes a challenge."

"Some of our roles are very distinct and only for us. You won't find them in a corporate. Selling social impact to candidates from functions like Finance, HR, Communications is a far bigger task."

"If you want people who are having some kind of a research mind-set, who are willing to learn with the community and willing to travel to the field to guide them – finding them is very difficult."

"In several of our roles we are asking people to navigate complexities which require a gambit of skills and we have realized it is hard to find in one profile."

"We are expanding our geographies. To hit the kind of targets we have set, I think we will require a different kind of talent coming in."
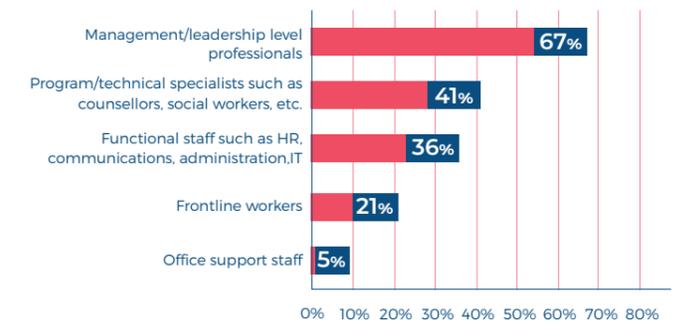
Our survey data seems to validate the above experiences – 67% of the respondents find hiring for management level positions most challenging, followed closely by hiring for program or technical specialists (41%). This finding reflects the experience of SEWA Rural, a health-focused NGO that operates in rural tribal areas of southern Gujarat. Given that it operates in a rural context in a small and remote town (Jagadia), SEWA Rural grapples with finding specialist or managerial talent, like doctors or senior-level managers. People hesitate to move to Jagadia, even if only for a brief stay. To counter this, SEWA Rural has been providing its qualified specialists greater autonomy to expand their capacity by taking on new projects and evolving its policies to allow people more flexibility to commute from urban areas to Jagadia, which had not been permitted in the past. It has also been investing more in grooming its local talent for non-specialist roles at the organization.

"It took us at least 9 months to have the full team in place. I think there are two issues – (1) You don't have enough people with experience in urban sanitation, given that the sector is growing rapidly (2) You probably don't have practitioners of the kind you want. To get people who are willing to experiment and move to the sector is very difficult. Especially, for urban sanitation, it is difficult to get people who understand the larger 'urban' context."

- Kavita Wankhade, Senior Lead - Practice, IIHS

Whom do you find most challenging to hire?* (N=97)

Category	Percentage
Management/leadership level professionals	67%
Program/technical specialists such as counsellors, social workers, etc.	41%
Functional staff such as HR, communications, administration, IT	36%
Frontline workers	21%
Office support staff	5%

As non-profits scale, they also struggle to maintain their culture. The founder often creates and is responsible for cementing the culture of the organization early on. The challenge that many non-profits face, however, is that as they begin to scale and add lateral hires, there arises a greater degree of separation between the founder and everyone else. Unless organizations invest in reiterating the culture of the organization through onboarding practices and other forums, employees may not always be able to be connect to the culture and ethos of the organization. This, then, leads to the risk of culture dilution.

Hiring challenges QUEST foresees as it scales

Working in interior tribal locations of Maharashtra, QUEST had traditionally struggled to attract technically sound talent. Nilesh recognized this challenge early into QUEST's journey and decided to focus on hiring locally. "We realized it does not make sense to search for talent in the cities and convince them to go to the rural areas, we are better off looking for people who live in the vicinity itself", said Nilesh. QUEST therefore appointed people from the communities in which it operates and invested significantly in their growth and development. Nilesh's idea was to provide local talent with multiple opportunities that made working with QUEST an attractive long-term career option. He also instituted a two-month long systematic induction program that even today serves as a litmus test for determining the right candidates who are likely to stay. At QUEST, employees are provided exposure opportunities from the beginning – the field level workers attend and present at regional and national conferences and interact with high-ranking government officials right from the beginning.

Today, QUEST places a great deal of trust and ownership on its field level employees, who have grown within the organization, to handle entire projects. What is even more commendable is that 60% of the organization's workforce is home-grown. However, with its strategic decision to scale-up and expand into new geographies, QUEST knows that depending on home-grown talent alone will not be enough. "Everything cannot be home-grown, we need people coming from outside the system. What we thought is the solution – hiring local people – is not going to work every time", says Nilesh.

Working towards expanding its funder base and meeting its ambitious fundraising goals, QUEST needs new talent with specialist skillsets and experiences on the field. They also recognize that they do not have the luxury of long induction times. While Nilesh acknowledges the need for lateral hires, he is also cognizant of the cultural challenge that comes with hiring laterally. As QUEST begins to rapidly transition into a semi-professional organization, finding a balance between home-grown and lateral hires becomes all the more crucial — a challenge that Founder, Nilesh, already foresees.

3. Difficulties engaging and rewarding people aptly

As we mentioned earlier, more professionals in India's labor force are beginning to view the social sector as a viable career pathway. While this is promising, the lack of defined career trajectories continues to be a major pain point for the sector. Our research shows that there are non-profits even today that shy away from discussions on career progression. This, in turn, deters young talent from joining the sector—and our survey data shows this. After lack of compensation, lack of better career prospects ranked as the second reason for employee attrition.

Many factors affect the ability of non-profits to engage and reward people aptly:

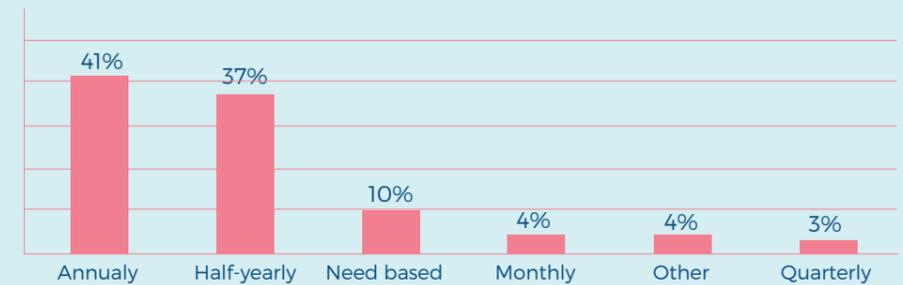| Lack of awareness around engagement mechanisms	Diversity of employees	Unclear goal-setting process and objective performance-metrics	Insufficient mechanisms to provide feedback	Lack of funding to invest and reward employees
There are founders who believe that working towards a mission is a reward in itself, and lack the managerial drive and ability to engage employees in charting out growth opportunities in the sector. This mindset could also be an indication that leaders are much too fixated on day-to-day operations and lack the capacity or bandwidth to focus on more strategic investments in employee engagement.	Non-profits have a unique blend of employees who hail from sundry backgrounds. While this ensures diversity in the workplace, these employees also come with a different set of experiences and expectations. Therefore, engaging with these different types of individuals requires, first, understanding their unique needs and motivations and, second, creating targeted engagement mechanisms accordingly. For instance, while non-profits look for people who have entrepreneurial drive and can multitask, they may not always focus on creating an enabling environment which would encourage them to thrive and exercise their entrepreneurial mindset.	When organization-level goal setting is unclear, it is difficult to create team- and individual-level goals that are clear, measurable and achievable. Many organizations grapple with creating or identifying objective metrics that link team and individual performance to organizational performance as a whole. This is especially true in the case of head office employees and functional specialists who do not engage directly with the communities. Moreover, many non-profits also have external dependencies that affect their ability to deliver their work (for example outcomes linked to government orders that may get delayed, communities that get preoccupied with other events, etc.). Engaging with these constituencies is not always something that non-profit employees can control, and when they come to an impasse that is outside their control, the experience can be particularly taxing. In such cases, talent engagement (and retention, specifically) becomes a challenge.	While our survey shows us that 76% of non-profits have a formal appraisal process, the qualitative responses and our interviews paint a slightly different story. Though non-profits may technically have an appraisal process in place, it often lacks an integrated and constructive feedback system. Satyam Vyas, Founder of Arthan Careers says, "There is no process of check-in or feedback, which is done specifically when you close an assignment or project especially from the perspective of the learning journey of the people who have been a part of this program. This could be one of the reasons we come across a lot of people who start planning their exits right after a project has ended or is going to end. They say that this is going to end but no one has talked to me about what is coming next and I don't see a future in this organization."	Lack of unrestricted funding strains a non-profit's ability to invest in talent whether it is through exposure to opportunities or budgets for Learning and Development. As detailed earlier in the chapter, project-based funding comes with its own set of challenges where members staffed on projects with greater funding have access to better opportunities than members staffed on less well-funded projects. Given the funding constraints that exist, there is a greater need for non-profits to find innovative and non-monetary ways to restore equity amongst all employees, and ensure that each of its staff members feels appreciated and rewarded. The good news is that despite these challenges, non-profits are already doing this, and we have highlighted those specific examples in the next chapter.

It is important that team members both understand and remember the larger mission of the program, and also understand how their specific tasks contribute to the larger vision. Otherwise, it is easy to get lost in day to day activities. Pulling the team out of their daily grind, and getting them to refocus on the larger picture/ outcomes regularly is essential.

– Kavita Wankhade,
Senior Lead - Practice, IIHS

Does your organization have a formal process to assess employee performance? (n=97)

Yes
76%

NO
19%

Not sure
5%

How often do you conduct formal performance review discussions at your organization? (N=97)

Annualy	Half-yearly	Need based	Monthly	Other	Quarterly
41%	37%	10%	4%	4%	3%
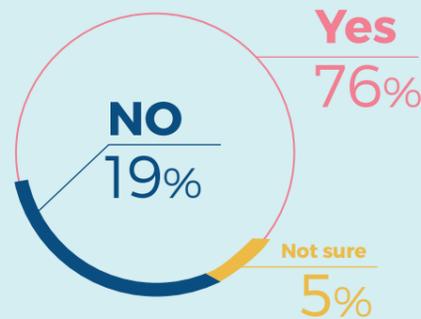
4. Unplanned leadership transitions

The 2017 Bridgespan report on 'Building the Bench at Indian NGOs: Investing to Fill the Leadership Development Gap' states: "Every NGO will need new senior leadership at some point, whether to transition from the founder or bring on a new head of programs". According to the survey that was administered for the Bridgespan report, transitioning leadership emerged as the second greatest challenge that non-profits face in the area of leadership development. Unfortunately, many founders do not plan for leadership transition until they want to step down and by then, there is not enough time to create a sound succession plan. As a result, leadership transitions are poorly-executed and negatively affect employee morale.

Our experience at Dasra corroborates the same. Having provided capacity building support to over 800 organizations in the last two decades, we have come across many examples of founders who began to plan for their transition quite late into the game. As a result, this not only caught many employees off-guard, but also put a strain on the second line of leadership. The situation, in some cases, was further exacerbated when the founder looked to bring on a successor from outside the organization, because he had not consciously groomed talent from within the organization, and hence was unable to identify suitable home-nurtured talent to replace him. When a decision to hire externally is made, a systematic communication plan for the second line of leaders and employees is often not thought through.

"Management is a bad word in such organizations. Founders are too skeptical of management practices to attend to institution building. Succession planning is neglected. These people have been so fired up by the idea of changing the world that they have assumed nothing else matters. In some cases, it is just negligence."

- Anurag Behar, CEO,
Azim Premji Foundation[xv]

As Bridgespan's report also found, one of the biggest reasons impeding planned transition is the lack of confidence that founders have in potential successors – "Only 47% of surveyed non-profits feel confident that anyone internally can effectively lead their organization in the absence of their senior-most leaders, who are often the founders." Although many leaders recognize the value of leadership development, they think current leadership development opportunities are too expensive or that executive leaders should focus on other priorities (like program oversight and implementation) rather than groom talent from within. Funders who do not invest in, or adequately promote leadership development, also perpetuate this belief. Current leadership development practices are often ad hoc, which is an outcome of insufficient resources, low awareness of the value of leadership development, and a lack of prioritization.

When leaders do leave, non-profits struggle to handle leadership transitions effectively, which are usually complicated and poorly planned. Non-profit leaders, particularly founders, find it difficult to "let go", and therefore rarely design succession plans. No matter the reason for change, NGOs have a tremendous amount at stake when transitioning to a new leadership. Contemplating succession can be intimidating but reducing person-dependence is critical for the organization to ensure continuity, scale and sustainability.

HOW CAN NGOS TAKE ACTION?

In this chapter, we will look at some key practices that can enable organizations to be intentional and strategic with their talent planning and communicate their talent-related ask to funders more effectively.

When it comes to talent management, there is no one-size-fits-all solution. Each organization's journey is unique and therefore needs to be contextualized for success. Through our conversations with non-profit leaders and secondary research, we have come to realize that although non-profit leaders acknowledge the importance of talent management, they often have a restricted view of what talent management really means or comprises. For example, Omidyar Network's Saurabh Nigam says that while many non-profits he has worked with focus largely on attracting great talent, the rest of talent management gets overlooked. Only now are the other elements of talent management like retention and engagement, drawing more attention.

Keep in mind that the recommendations in this report are simply a starting point. They can be viewed as general guidelines and actionable tips to get the ball rolling. Primarily, we believe that to derive the maximum value from this section, non-profit leaders should start by challenging and expanding on their own personal view of talent management. Only if the organization is fully committed to investing in talent management will the recommendations presented below be fruitful.

Our recommendations for non-profits:

1. Treat talent management as a specialist function

Apply the strategy lens to talent management and build it out as a specialist function within the organization

2. Think of Leadership Transition before you 'HAVE' to

Start now by building a strong leadership development culture within the organization

3. The whole is greater than the sum of its parts

Nurture a performance oriented culture and establish a link between each team member's role and the organization's mission

4. Compensation is important but not everything

Be creative with how you optimize limited resources to both attract and retain talent and create lasting value for employees

5. Craft a strong narrative and customize your ask

Avoid having a one-size fits all mentality when approaching funders and build talent management into grant proposals

1. Treat talent management as a specialist function

Apply the strategy lens to talent management and build it out as a specialist function within the organization

Leaders must realize that an organization's talent management processes and priorities form an integral internal strength to achieve organizational goals. While non-profits understand the value of having a strong team, this philosophy often does not reflect in the nature and composition of their talent management function. Through the survey, we found that 33% of organizations with up to 100 employees lacked a dedicated talent management team (by TM team, we mean individuals who have an educational qualification or prior experience in talent management, or those whose primary job responsibilities are pure talent management-related work). Even of those non-profits that have over 200 full-time employees, only 50% reported that they have more than one dedicated talent management team member. Furthermore, around 13% of the organizations in this category reported that they have no dedicated talent management team.

The survey sheds interesting insights into what many non-profit talent management functions primarily focus on. For example, 72% of the non-profits surveyed said that operational tasks (such as payroll management, leave and attendance monitoring) take up most of their talent management team's time, while 30% of non-profits said that general administration activities (such as travel booking and office maintenance) make up a large chunk of their work.

The data from the survey serves as a reminder that non-profits should begin to look at talent management more strategically. Even today, while most non-profits have an organization strategy, they rarely have a talent management plan of action in place. This presents the risk of approaching talent management in a reactionary manner. Having a thorough talent management plan helps to ensure that talent decisions align with the organization's overall strategy.

This can translate to different approaches depending on the organization's varied needs. For example, an organization may be very small and not want to hire dedicated talent management personnel to handle operational activities such as payroll, statutory compliances or other paper work. In such a case, the organization could consider outsourcing these components to external consultants. Some other organizations may have a dedicated talent manager or team in place, but may still require external support to set up processes initially, which would later be managed by the organization itself.

Some non-profits may want to outsource some of the more evolved talent management and organizational development functions such as setting up an appraisal system, identifying learning and growth needs or running 360-degree leadership assessments to third party vendors. In fact, our survey data shows that many non-profits already do this, with 58% of non-profits surveyed saying that they engage with external vendors or consultants for their varied talent-related needs and 46% saying they currently use technology, such as web-based tools/software for basic talent management needs such as leave and attendance management. Whatever approach a non-profit decides to choose, the key is to first understand what strategic role talent management plays within the organization, and to then determine what approach should follow.

While there is no thumb-rule around how many employees an organization should have before it starts thinking more strategically about talent, we have listed some helpful indicators to keep in mind:

a. The specific scaling model of the organization,[xvii] and subsequent operating model and capabilities required to support that scaling model;

b. A rapid growth in team size;

c. The establishment of a new multi-geography office;

d. The introduction of innovative programs or expansion of outreach within current programs.

Key Guiding Questions for Non-Profits

- Do I have an operating model and a talent management plan to support my organization strategy?

- What are the main gaps between my current talent management capabilities and future needs – as per my organization strategy and operating model?

- What role does my talent management team play? Does it have the necessary capabilities to meet future needs?

- What are the core talent management capabilities that I want to develop in-house, and where is it best for me to use external resources or vendors?

- Will investing in certain technology right now or in the near future have a significant positive impact on certain aspects of my talent management or organizational demands?

2. Think of Leadership Transition before you 'HAVE' to

Start now by building a strong leadership development culture within the organization

In the section on challenges, we discussed that non-profits struggle with planning for leadership transition.[xviii] The Bridgespan 2017 report validates this. This report and our own experiences working with non-profit leaders suggests that there is great need for and value in non-profit leaders investing in proactive leadership transition planning. This could mean having a succession plan in place well in advance of the actual transition itself in order to ensure a seamless handover.

A non-profit's Board can also play a critical role in pushing the founder to have a succession plan in place, even in cases where the founder's transition is not imminent, driving accountability and supporting the leader through the process. Non-profit leaders must start by proactively seeking the Board's support and counsel in forecasting and planning for a successful transition.

Moreover, organizations are encouraged to think proactively, about grooming talent from within. The second-line leaders' capabilities should be developed so that when an organization is tasked to replace its founder, it need not depend solely on external hires. Perhaps this could entail sending senior and mid-level managers to leadership development programs, or instituting a leadership development plan internally.

Below is a short narrative of how Society for Nutrition, Education & Health Action (SNEHA), a Mumbai based non-profit focused on reducing maternal and neonatal mortality and morbidity, child malnutrition and gender-based violence in urban informal settlements, dealt with leadership transition one decade into its existence. However, as a caveat, SNEHA's story is not meant to be prescriptive of how organizations should approach leadership transition. It is also not meant to illustrate that external hires are the preferred solution in such cases (in fact, as we note above, organizations should also groom talent from the inside). While SNEHA followed one particular approach, each organization's approach may differ depending on its talent, skills, and priorities—and that's perfectly fine!

Key Guiding Questions for Non-Profits

- What is my organization's long term strategy? What leadership capabilities and skillsets does my organization need in order to deliver on its long term strategy?

- What role do I foresee myself playing in the future? How is it different from my current role?

- Do I consciously plan for and invest in creating future leaders for my organization? What are the current gaps in the capabilities of my second-line leadership to be able to take on higher positions of leadership in the future?

- What are the risks I foresee with respect to the future of my organization? What are the potential risks while transitioning leadership within the organization?

SNEHA: An example of how one NGO approached leadership transition

In the early 1990s, neonatologist Dr. Armida Fernandez and her team were routinely caring for underweight and premature infants born into low-income households. These households often faced poor nutritional and health outcomes, especially amongst mothers and children. Dr. Fernandez and her team wanted to develop sustainable interventions that would go beyond simply providing stopgap solutions, and as a result, SNEHA was born in 1999.

Today, SNEHA is a 490+ person-strong organization with extensive on-the-ground experience in helping build healthy lives of urban women and children. Over the last two decades, while SNEHA has worked consistently on improving its on-the-ground programs to increase impact, its commitment to build the institutional strength necessary to support its programs should also be appreciated. In 2008, SNEHA had four programs led by four strong program directors and were islands of excellence within the organization. Dr. Fernandez gave the programs directors the mentoring that they needed, but also the autonomy they desired to build out their own teams and programs.

However, at some point in SNEHA's scaling journey, Dr. Fernandez felt that the organization had reached a stage wherein it needed a different kind of management to run its programs efficiently and to grow further. A doctor by training and a social worker at heart, Dr. Fernandez had doubts about whether she had the necessary management skills to lead the organization to its next stage of growth, and worried that this gap may become a bottleneck for the organization. Knowing that she had to transition from her current role to a more advisory position, Dr. Fernandez started to build the internal capabilities required to grow SNEHA for the future as well as seriously look at outside talent. This came with its own series of challenges! In 2010, she handed over the role of CEO to a member of the Board of Trustees who had been involved with SNEHA since its inception. However, by mid-2011 the individual decided to step down from the CEO role in order to pursue other professional aspirations. Dr. Fernandez had also hired externally for the COO position. This individual too stepped down from the role of COO to become a part-time advisor to SNEHA. As a result, Dr. Fernandez had to step in as interim CEO to plug the leadership gap.

Between 2011 and 2013, SNEHA had no full-time leader. While the programs continued to be implemented, areas such as fundraising, communications, and talent management suffered. There was limited oversight and synergy amongst different verticals and, the high attrition rate and leadership vacuum generated an air of negativity that filtered down SNEHA's hierarchy.

It was during this period and after interviewing more than 18 candidates unsuccessfully that Dr. Fernandez came across Ms. Vanessa D'Souza, a former director at Citibank. Vanessa had been a volunteer with SNEHA, delivering pitch presentations to potential funders and stakeholders. In 2013, with the Board's approval Vanessa was brought on as SNEHA's new CEO. Despite not having a healthcare background, the leadership felt that Vanessa had the requisite skills required to consolidate and scale up SNEHA's body of work.

This was only the beginning of a long and uphill journey of leadership transition. Vanessa spent many months listening, learning and building trust with the senior program leaders of SNEHA, without interfering in the program operations. She made many field visits, conducted stakeholder meetings and read-up to get a real pulse of the organization. It was only when she did all of this that she was able to really identify the strategic needs of the organization, and begin to work on them in phases. This included formulating a five-year strategic plan, building a culture of performance in line with the values of SNEHA, and implementing talent management initiatives that invested in personal growth and development. She also simultaneously began establishing succession plans for key positions within the organization, and encouraging her senior leaders to attend programs like DSI LP and DSI AP.

Vanessa acknowledges that while the journey has been a challenging one and the learning curve steep – she will have to continue to evolve and adapt in order to build resilience within SNEHA for the future.

3. The whole is greater than the sum of its parts

Nurture a performance oriented culture and establish a link between each team member's role and the organization's mission

It is integral for every member of an organization to understand exactly how he or she is contributing to the organization's overarching mission. Establishing a clear goal-setting process is a crucial step toward achieving this clarity. The results from our survey show that non-profits do realize the value of performance management: Seventy-six percent of organizations surveyed have a formal process laid down to assess employee performance. Out of these organizations, 41% of nonprofits said that they conduct formal performance review discussions annually, 37% said they do so half-yearly and the remaining small percentage do so either monthly, quarterly or on a needs-basis. While these numbers are certainly reassuring, a process to assess performance alone does not guarantee a strong performance-oriented culture.

We urge organizations to go one step further and ask themselves: Is the goal-setting process robust? Do the organization's overall goals cascade down to each individual's specific goals? For the latter, establishing the linkage between individual and organization goals is vital. The second critical aspect of performance management is using feedback as a developmental tool. Without regular and constructive feedback, the appraisal process can get relegated to a mere paper exercise, which does not serve the purpose it is meant to achieve. Praja is a good example of an organization that has recently revisited its performance appraisal system to support a culture of more open and honest conversations around employee performance.

Earlier our performance appraisal system was a one-way street, wherein the employee would receive feedback on his or her performance. But we realized that if wanted to create a more honest and robust performance culture, this has to change. We have now given employees the ownership to also give their managers feedback. This empowers them and gives them the chance to speak about things that are not going right.

We have also introduced an employee self-evaluation. This gives them the chance to speak about their challenges more freely and reflect on their own growth. This is a huge change in orientation on how you look at performance and feedback. It adds to the individual's roles and responsibilities, and creates accountability and ownership in the long run.

-Benaifer Reporter, HR Consultant, Praja Foundation

Key Guiding Questions for Non-Profits

- Does my current performance management system (PMS) enable my team to feel connected with my organization's mission and goals?

- Does my current PMS enable candid and constructive conversations between employees and their managers to build trust? How does it reflect and support the specific values or culture of my organization?

- Are my managers equipped to provide feedback leading to the development of every individual?

- Are my employees able to see the linkage between their individual goals and the organizational goals that we collectively strive to achieve?
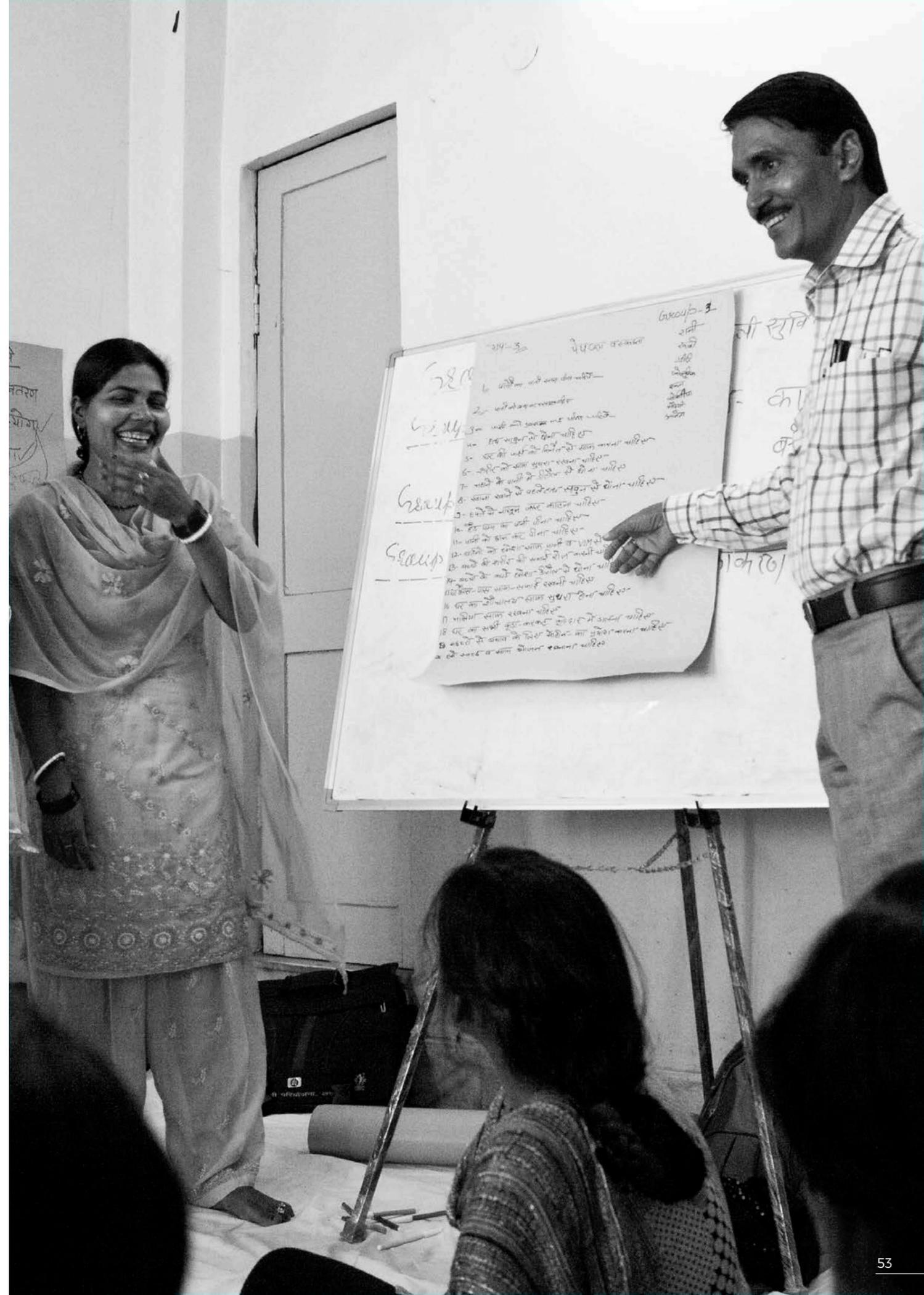
Jai Vakeel's journey towards building a stronger Talent Management muscle

As a 74-year-old organization, Jai Vakeel Foundation prides itself in celebrating its legacy; it has seen evolution in both thought as well as direction over the years. The founding family started and ran the organization for over six decades. In 2013, there was a change in the leadership. It is currently being led by Archana Chandra, the CEO, with a team of like-minded professionals who together envision a more inclusive world for children with Intellectual Disabilities (ID).

While the organization's ethos of maximizing the potential of children with ID has remained the same, since 2013 the push has been in the arena of redefining inclusion and independence of such children. With the aim of building a long term sustainable organization, the new leadership decided to take a step back, re-evaluate and answer 'Why, How & What they are trying to solve for?'. The organization revisited their core competencies and made some difficult but strategic decisions for the long-term sustainability of the organization. Archana Chandra, who is helming the process of change, was cognizant that if Jai Vakeel had to achieve its desired goals, talent management would be the most critical component. Given the organization was started by a family, the legacy was carried forward by a single leader. Over the last five years, Jai Vakeel has transitioned to adopt a participative management style aimed at building commitment and leadership at different levels within the team. This enables a professional structure, building an organization that is stronger than the individual people running it.

Today, Jai Vakeel has a team with several years of industry experience and specialists that lead departments. They attract talent from all age profiles and geographies in the form of staff, volunteers and interns. Jai Vakeel's skilled volunteer base has given it the ability to carry out initiatives that would have never been possible otherwise! The mandate given by the CEO to the department heads/leadership team is to achieve goals that are jointly set for the organization. Thus, from focusing primarily on the execution of the interventions, the team is now empowered to participate in the vision setting and long term planning of the organization.

While a talent management team always existed at Jai Vakeel, the focus was on managing operational tasks, as it did not have adequate capacities, resources and/or tools to wear a strategic hat. Many of the basic systems and processes that existed for recruitment, onboarding or performance management had not been updated in years, and processes and policies were rarely codified, leading to information gaps and a lot of reinventing the wheel. Jai Vakeel's leadership team worked on these areas of improvement by making several strategic decisions.

The first was to outsource all of the operational talent management such as leave management, attendance and payroll to third party vendors. This was a bold decision at the time, but it also enabled Jai Vakeel's talent management team to focus more on its strategic talent priorities, like training and development. During this process, the first couple of months were spent re-drawing the organization structure and clarifying roles and responsibilities. The insights helped unearth key gaps in individuals, and identify which skills (level-wise) were needed for the organization to grow. Archana and her team were very clear that they wanted to groom talent from within the organization before hiring externally. They began providing opportunities for learning and development internally, which over time, allowed them to identify individuals from within the team itself to take on leadership roles. For example, from Jai Vakeel's talent team of three individuals, one person was a data entry officer. His preliminary role was to look through every personnel file using a checklist and collect information from multiple sources within the organization. The Human Resources Manager identified potential in him, and encouraged him to complete a diploma in training and development to grow his capacity to fit a future role. This process of gradually re-hauling the organization structure, reporting relationships and roles and responsibilities was not always easy! Slowly but steadily, the team adjusted to the changes. What helped was that the senior leadership was empathetic and supportive along the entire journey. In retrospect, Archana believes that the reason Jai Vakeel's restructuring efforts were a success is because every employee understood the big picture and believed they were a critical part of Jai Vakeel's journey to impact many more lives. Moreover, Archana and the senior management team also made a conscious effort to not only communicate regularly on newly made decisions, but also to explain the rationale behind these decisions, which has encouraged greater transparency and alignment within the organization.

Today, Archana and her team realize that talent management is very much an evolving process and there is still a long way to go. Along the journey, they continue celebrating the progress made thus far, and the incredible culture they have been able to foster within the organization—progress that suggests the organization will remain committed to meeting its goals for the future.

4. Compensation is important but not everything

Be creative with how you use limited resources to both attract and retain talent and create lasting value for employees

There is never a substitute for a motivated and committed team. Yet, given the reality that many organizations cannot offer higher remuneration, non-profits should identify innovative, yet cost-effective ways to manage and attract employees. This mindset will help leaders incentivize team members at every life stage within the organization - whether it is through career progression, learning and development or innovative benefits. Some ways for organizations to do this include:

1. Building awareness on what the organization does: We mentioned earlier in the report that many non-profits struggle to articulate and communicate their work clearly, which affects their ability to attract talent. One obvious fix for this is for non-profits to focus on being as clear as possible when articulating their work (this could mean re-looking at how they present their elevator pitches, brochures, website, social media profiles, etc.). Rather than spending significant time and energy on explaining who they are only when hiring staff (especially mid to senior level), organizations should focus on long-term brand building because this can translate to attracting a stronger pipeline of applicants.

"I think there is a big scope for improvement in our efforts to attract more people. There are people who want to work in our kind of settings actually, but they just don't know about us. We haven't gone out actively looking for such people. If someone drops in, it may work out well but we don't actively put ourselves out there. We do advertisements, but we could do much more in actively looking out for talent."

-Dr. Shrey Desai, Trustee, Sewa Rural

2. Employ various means of engaging with the diverse workforce: Non-profits have a unique and complex blend of employees. There are front-line workers, functional specialists such as communication, finance and HR personnel, as well as management professionals. Very different motivations may drive each of these categories of employees, which sometimes poses a challenge to non-profits looking to engage their employees. For example, when non-profits start hiring for specialist or senior and mid-level roles, many of them run the risk of alienating certain groups of employees. This is why it becomes a priority to ensure equity amongst the workforce so that every individual feels like a valued member of the organization.

From our survey, we found that the most common way that organizations incentivize their talent is by providing annual increments linked to performance. This was closely followed by offering non-monetary benefits (such as flexi-time, work from home, sabbaticals) and providing monetary benefits such as allowances. Some other steps that non-profits could consider introducing are:

- • Giving field employees the opportunities to attend & represent their organizations at national and international conferences;

- • Sponsoring employees' higher education and/or paying for them to attend correspondence courses;

- • Allowing employees to attend and maybe even lead important meetings with bureaucrats and other such high-ranking officials;

- • Introducing policies for compensatory offs

- • Creating innovating learning and development opportunities or

- • Providing employees with greater autonomy to explore new ideas, lead teams and think creatively.

Whatever the organization's unique strategy is, each of the innovative policies and incentives must align with the organization's overall vision and culture. Here are a few unique examples of how some of the non-profits we spoke to engage and incentivize their talent:

• As part of its ethos, Women, Media and News Trust (also known as Khabar Lahariya) strongly believes in hiring and mentoring women from marginalized communities to be media makers. Khabar Lahariya keeps this ethos as a backdrop while making talent management-related decisions. For instance, when they were setting up a digital news desk [in Delhi] and needed to revisit their organization structure, the organization's leadership explored how their new urban-based production desk could be influenced or connected with their field team comprising

experienced rural women. As a result of this exercise, they offered new roles to many field-based employees within the production desk, so that the Delhi office would not look very different from their field offices.

• The Karnataka Health Promotion Trust (KHPT) has specific committees focused on grievance redressal (such as gender violence). Each committee consists of both field and head office staff who have the chance to work together to address shared challenges. Additionally, both head office and field employees are encouraged to speak at Town Halls and other such public forums. All employees get research opportunities, and the chance to build their knowledge through PHD or correspondence study courses (through KHPT's collaboration with the University of Manitoba).

• At IIHS, the leadership has set up a specific learning and development (L&D) function. This decision resonated with the organization's overall strategy since they realized that in order to grow they would have to either recruit people with the skills, competencies or capacities that they currently lack, or build the capacities of existing people. Having a dedicated L&D function would help them meet this strategic objective and over time offer a clearer career progression to current employees too.

• Mentioned earlier, nearly 60% of QUEST's staff, including at the management level, is homegrown. Over the past 7-8 years, QUEST has made a concerted effort to develop the skills of the field staff to be able to independently lead entire projects and grow as leaders.

• At LeapForWord, Pranil Naik has a unique talent philosophy that encourages each team member to operate with an entrepreneurial mindset, gives them the liberty to identify, diagnose and solve problems and encourages them to pursue their own independent projects outside of the workplace. His approach to people development has maintained team morale over the years and has spurred creativity within the organization.

• Sewa Rural is a strong example of a rural non-profit that prioritizes employee bonding and fun. They organize get-togethers, picnics and out of

town events regularly. Dr. Shrey Desai from Sewa Rural says given that they operate out of a small place like Jagadia, these small initiatives help the team feel togetherness and fosters stronger ties between everyone.

• The Akshaya Patra Foundation (TAPF) hires many individuals over the age of 40 who want to make a late-career switch into the social sector. These are often individuals who want to make a difference, in whatever capacity possible. And, unlike many other non-profits who hire (or aim to hire) young professionals, TAPF actively thinks of ways in which to engage this more seasoned demographic of professionals because to them, everyone has a role to play in catalyzing change.

Key Guiding Questions for Non-Profits

- • What are the diverse groups of employees that make up my organization – in terms of their roles, age groups, locations, etc.?

- • What motivates these different types of employees? What are the challenges I currently face while attracting / retaining different categories of employees? What am I currently doing to attract and retain these different categories, which seems to be working?

- • What is my organization's unique employee value proposition (An employee value proposition (EVP) is the unique set of benefits which an employee receives in return for the skills, capabilities and experience they bring to an organization), and how can I leverage that to attract talent?

- • Are my current policies to attract and retain talent in line with my organization's values, culture and strategy?

5. Craft a strong narrative and customize your ask

Avoid having a one-size fits all mentality when approaching funders and build TM into grant proposals.

When working with funders, non-profits should clearly articulate what the organization hopes to achieve and what areas of talent management support they need, to prioritize in order to achieve their mission. QUEST is one organization that has done this from the outset, and works in the field of education in peri-urban, rural and tribal districts of Maharashtra. Since they work with schools, a large proportion of QUEST's field staff are diploma holders or have a B Ed degree. QUEST knew from the beginning that field workers are at the heart of their mission, and hence they needed to incentivize teachers from the community to work with them, instead of only looking at government schools. At QUEST, they were paid double or triple of the salaries offered to contract teachers at government schools. This is because QUEST realized very early that if they wanted to make a dent they needed to have a very strong program, which only strong field staff could build. Explaining this to funders was sometimes challenging.

"Funders were surprised to see that we were much higher paymasters on the field level, as compared to the mid management level, and even worse paymasters at the high level. We had to tell funders repeatedly that we are a nascent organization, and unless we prove ourselves on the ground – nothing is going to work. Why will the government take us seriously unless we do not create results? And these are the people that are going to create those results. So unless you are willing to invest in a very strong field team, it is not going to work."

-Nilesh Nimkar, Founder, QUEST

When making an ask to funders, non-profits should also do their homework on funders, and customize their ask accordingly – thereby making them more likely to fund non-traditional investments into talent management. What Antarang Foundation founder Priya Agrawal believes, from their own experience, is that more non-profits should try to understand their funders' interests and perspectives, and identify ways to customize their talent-related asks to that. Doing so can enable richer, two-way conversations with funders that go beyond funding. Moreover, because many of the talent-related challenges in the non-profit sector are common to the for-profit sector, many funders from corporate backgrounds can relate to and

empathize with their grantee partners.

We would also urge non-profits to build in specific talent management outcomes and costs directly into their grant proposals, which could entail including talent-related challenges in the problem statement. Here are some ways of doing this:

1. Add a preparatory phase into the project design itself: Non-profits should ask themselves "What are the talent management capabilities I need to recruit/ develop in order to kick-off the project itself?" For instance, this might mean building their team's knowledge through capacity building workshops, training their leadership, hiring the right talent, etc. Doing this will help non-profits have the right systems and processes in place before they jump into implementation, and subsequently communicate their requirements more clearly to funders.

In our research, we have come across organizations that have been upfront in asking a funder who has expressed interest in scaling up a program to first invest in the people, knowledge and organizational capacities required to scale the program. They then added a preparatory phase to the program and convinced the funder that it is crucial in the long term if they want to scale the program and grow the organization.

2. Include separate TM related outcomes and corresponding line-item costs in proposals: Most organizations club talent management under Institution Building or Capacity Building costs within their grant proposals. Instead of this or in addition, non-profits can build specific talent management outcomes into proposals that will give them dedicated earmarked funding for their desired initiatives. For example:
- Hire 1 Chief Operations Officer(COO) by May, 2019
- Recruitment Consultant's fee for COO role
- Implement Human Resource Management System by September, 2019

While doing this, it is important that organizations articulate the criticality of that specific hire/activity in achieving the overall vision and strategy. This will help the funder understand the value of that hire/activity clearly.

Key Guiding Questions for Non-Profits

- What is this funder's understanding of talent management and history of supporting TM initiatives, in the context of its grantee organizations?

- Does this funder have the appetite to give to my important talent management initiatives?

- Is this funder likely to support in any non-monetary ways? If yes, in what ways are they best equipped to support my talent needs?

- How can I best position a specific talent management need in my grant proposal, in line with the interests and appetite of specific funders?

Chapter 5

HOW CAN FUNDERS TAKE ACTION?

In this chapter, we will take a look at specific ways in which funders can play a more active role in supporting their grantees on their talent management needs, whether it is through engaging in more earnest conversations with grantees, playing an advisory role on talent-related issues, and/or more.

Our nearly two decades of experience of working with non-profits and leaders across India has shown us that talent management is paramount to achieving successful scale. As we had discussed in the previous chapter, there are a number of ways in which NGOs can take action, when it comes to investing in talent management that would then propel them one step closer toward achieving their desired growth and impact.

But what about funders? As we discussed earlier in the report, around 50% of our survey respondents admitted that they do not include talent management initiatives as a direct cost in their grant proposals to funders. What we found to be more alarming, however, was that of this number nearly 70% of respondents—more than half these individuals—indicated that while they believe that talent management is their organization's biggest or second biggest challenge, they have never or not recently (meaning over past three years) approached funders for specific talent management-related support.

This tells us that funders have an important role to play in the conversation around talent management. By stepping up and taking more of a front seat, funders have a great deal of potential to move the needle when it comes to talent management practices in the social sector.

According to one funder — Saurabh Nigam of Omidyar Network — a funder or non-profit leader is primarily concerned with impact. In order to create impact however, Saurabh believes that non-profits need to have people with the right mindset, right caliber, and intrinsic motivations.[xix]

"If we truly believe in our organizations that have been set up to create impact in the nonprofit world, they cannot achieve their mission or objectives unless they have the right set of people. To me, that is the fundamental reason why you need to invest in building strong talent management capabilities in these organizations. Unless you do that, you are not creating the foundation to be able to create the impact that you're chasing as an organization," says Saurabh."

Our recommendations for funders:

1. Communication is a 2-way street
Encourage more dialogue around talent management, and not just talent hiring

2. Loosen up your purse strings
Provide more funding-related support for talent management

3. Money is not the only thing
Go beyond the role of a typical funder by providing more hands-on or out-of-the-box support to grantees on talent-related challenges

4. Good people build good organizations, but good organizations build good people
Support people development, from leadership development to learning & development for all

5. There's no need to reinvent the wheel
Modify and use existing monitoring & reporting templates to capture crucial talent management-related details from grantees

6. Sharing is caring
Start exploring the idea of a shared services model for talent management for your grantees

Let's begin! — With a word of advice: Think beyond program funding alone

Traditionally most funders have, and continue to provide support for specific programs rather than institution building. Institution building is critical for driving an organization's development and sustainability. While investing in programs and projects is essential, one could argue that the talent—the specific individuals comprising an organization—is the bread and butter of an organization's operations. Therefore, talent becomes the fuel that pushes an organization to achieve stronger impact on the ground. Funders need to evolve their mindset from funding only programs to thinking about talent management as more of a strategic investment decision and thus, non-negotiable.

One way for them to do this, which we also discussed in our previous report-*Ready, Set, Grow*-could be through becoming more open to providing unrestricted funding for talent management-related initiatives . While some funders like the A.T.E. Chandra Foundation believe in the value of unrestricted grants, more funders should consider providing unrestricted support as well. It gives more flexibility and freedom to grantees to deploy funds in a manner in which they wish to, in order to help them achieve the desired outcomes and impact.

According to Priyaka Nagpal Dhingra from the A.T.E Chandra, it is important when providing unrestricted funding to hold grantees accountable to a specific set of metrics to quantify impact. However, how their grantees plan to achieve their desired outcomes is something that funders should allow the non-profits themselves to decide.[xxi]

Funders can also attend education programs like the Dasra Philanthropy Program. Programs like these address the current gap in the sector when it comes also to education opportunities for funders, through site visits, opportunities to meet sector leaders, and more. These programs help funders think critically and decide about the other appropriate avenues to channel funding, such as talent management.

1. Communication is a 2-way street!

Encourage more dialogue around talent management, and not just talent hiring

When it comes to talent management, simply having multiple conversations with grantees is not enough. To maximize the value of such conversations, we would urge both parties to have targeted and candid dialogue, which means asking the right types of questions and probing into the right areas for support.

What's worked for Omidyar is their approach toward engaging with their portfolio grantees. Saurabh adds, "We work in a collaborative manner rather than being very prescriptive... and I think that gives them the confidence to be really honest and up front about their issues and therefore partner with us. I've gone in and had very talent management-focused conversations with NGOs and they've been very honest about what they've done, not done, where they're struggling, and what help they need."

Omidyar is not alone. UK-based funder Kiawah Trust also engages in substantive and regular conversations with its grantees. They asked one of their grantee organizations specific and tough questions on the availability of requisite talent on the ground, when the organization presented their ambitious operational plans for making a foray into a new region. We would encourage more funders to do the same, especially with grantees seeking to grow their impact.

As we delve deeper into the next few recommendations, we would also suggest that funders make a note of the key guiding questions for their grantees under each recommendation, designed to help them have stronger and more informed conversations on talent management.

2. Loosen up your purse strings!

Provide more funding-related support for talent management

The best way for funders to encourage their grantees to scale and be sustainable is through investing in the enablers, such as the systems and processes needed to manage their people. By doing so, funders would help ensure that non-profits are not overly reliant on project-to-project funding in order to stay afloat, which is simply not sustainable.

What this also means, according to Priya Agrawal from Antarang Foundation, is that funders should "stop looking at people expenses as part of admin costs, which a lot of donors tend to do. There is enough pushback from the donors who keep asking to keep admin or overhead costs really low," said Priya, "But our work is done by dedicated, committed people who are implementing the work on the ground. Therefore funders can't take away the people cost from there."

As a funder, Unnikrishnan TS, who heads the CSR wing of Great Eastern Shipping, agrees: "At the leadership level, we have accepted and we understand that it is necessary to focus not just on program outputs but equal or more focus has to be on good talent, good institutions – only then will we get good results.... Hence, whenever a proposal comes to us, whether it is for an existing partner or for a new partner, we don't really tell anyone that 'Your admin or manpower costs are this much and you have to bring it down'."
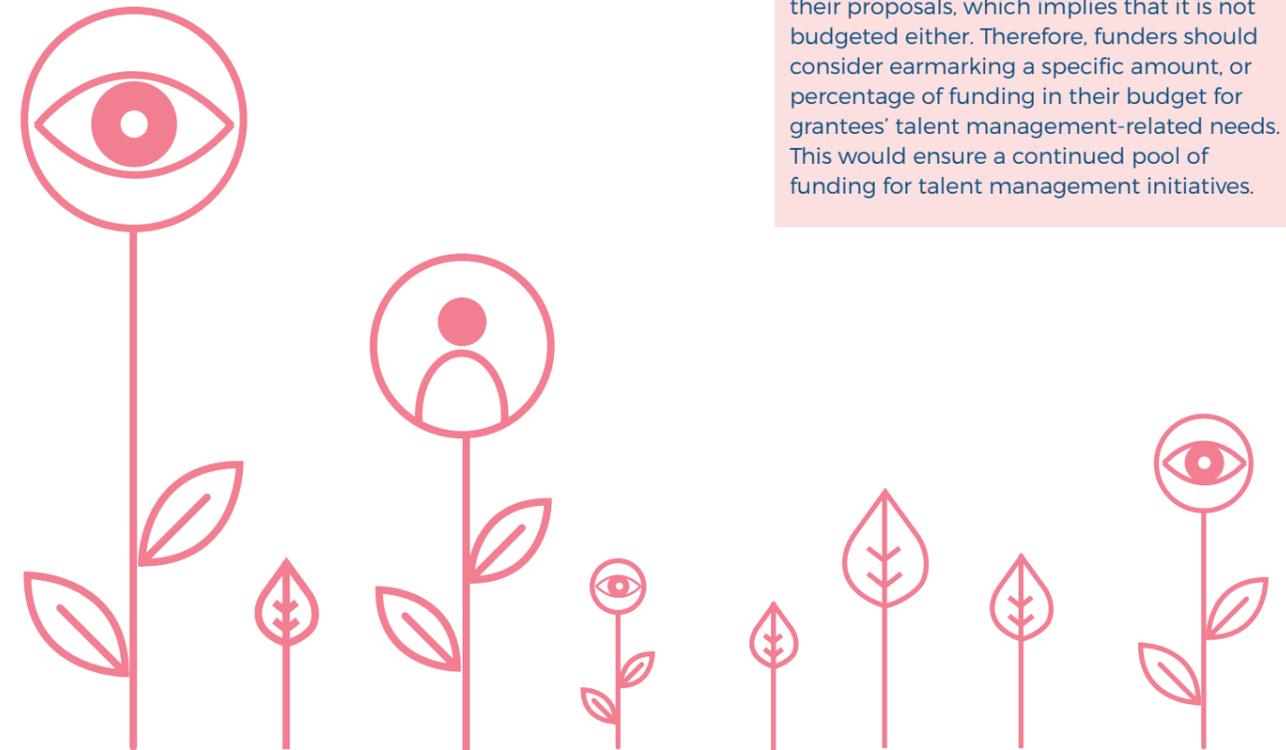
Beyond providing financial support to grantees for talent management support in general, below are additional things we would encourage funders to do:

• **Ask grantees to share their talent management needs as part of requests for proposals, grant-reporting guidelines, and other materials for grantees.** Currently, only 49% of organizations from our survey indicated that they have talent management built into their project proposals. This means that slightly more than one-half of our respondents do not do this. Including talent management component in these documents offers funders better insights and clues related to the type of support their grantees may need at the inception of engagement.

• **Incorporate talent management (or institution building, which includes talent management) as a line item on the budget itself.** As we mentioned, a little more than one-half of our survey respondents said they do not include talent management into their proposals, which implies that it is not budgeted either. Therefore, funders should consider earmarking a specific amount, or percentage of funding in their budget for grantees' talent management-related needs. This would ensure a continued pool of funding for talent management initiatives.

3. Money is not the only thing

Go beyond the role of a typical funder by providing more hands-on or out-of-the-box support to grantees on talent-related challenges

Contrary to their name, funders need to evolve their partnership with their grantees beyond providing funding alone, if they are serious about helping their grantees to scale. This could include thinking outside the box and finding ways to support their grantees to scale, whether this is through working with them to build stronger talent management processes and systems, introducing them to organizations with successful talent practices, serving as an "advisor" whom grantees bounce talent-related ideas off and more.

One way to engage more with grantees could be to help them build a strong talent management infrastructure that consists of the systems and processes to attract, hire, onboard, engage, reward and develop staff. For example, the A.T.E Chandra Foundation has actively worked with its grantees to help them think about what their talent management gaps are, and where and how they need to fill these. In the case of two of its grantees, the Foundation noticed that the founders of these organizations were stretched for bandwidth and were deeply embedded in very admin-related work, thereby limiting their ability to focus more on strategy and growth. To address this issue, the A.T.E. team encouraged the non-profits to recruit for other roles that would help ease this burden on the founders.

"During conversations with one of our partner organizations, we got a chance to understand the CEO's bandwidth issues. He was stretched too thin across operational and administrative areas. Having identified this as a concern area, we met the Board and discussed support mechanisms to ensure this gets addressed meaningfully. We were happy to support this gap in the organization, given the potential it had to unlock greater value"

-Priyaka Nagpal Dhingra, Head, Capacity Building Programs at A.T.E. Chandra Foundation

Moreover, the A.T.E. Chandra Foundation also engaged in Dasra's support to help another grantee, Quality Education Support Trust (QUEST), a Maharashtra-based education organization review their existing organogram and think about what should be the organization's hierarchy, its reporting line, reporting layers, and more. The revised organogram helped further clarify roles and expectations at the senior management levels, and helped the founder free up his bandwidth.

"We typically brainstorm with the CXO team regarding the critical intervention needed to achieve their own ambitious growth plans. From these brainstorming sessions, we narrow down a few options. It is always an NGO's prerogative to choose their path. We become a sounding board and use a Socratic questioning approach to enable the organisation to make informed choices (which we then go on to support),"

-Priyaka Nagpal Dhingra, Head, Capacity Building Programs at A.T.E. Chandra Foundation

Other funders like Omidyar Network typically play an "advisory role" to its grantees. For example, in addition to providing funding, they also conduct diagnostic assessments of their organizations to get a sense of what the organizations grapple with most. Once the diagnostic is completed, Omidyar then works with grantees to understand their gaps and needs, as well as the link between this and the kind of people the organizations currently have, their intrinsic motivations, and more. Post these conversations, Omidyar co-develops a plan with grantees to address the pain points.

And, finally, a number of funders have also connected and continue to connect non-profits with intermediaries like Dasra, Dalberg, Bridgespan, or to other organization design or talent management consultants that have the tools and expertise to conduct organizational assessments and develop customized solutions. Omidyar Network, for example, does this.

4. Good people build good organizations. But good organizations build good people.

Invest in talent, meaning support people development, from leadership to learning & development for all

• Leadership development (this includes mid-level management)!

As we had discussed earlier in the paper, and something that organizations like Bridgespan, Indian School of Development Management, and Sattva have all spoken extensively about through their work, is that a senior team's competence is often the make-or-break factor in an organization's ability to perform effectively and scale. For that reason, funders need to find ways to support leadership development initiatives, which could entail sending grantees to leadership development programs, funding internal leadership development initiatives, and/or even going one step further and offering coaching and mentoring support.

For instance, the US-based funder, Evelyn and Walter Haas Jr. Fund, runs the Flexible Leadership Awards , which provide grantees with executive coaching, board development, senior management training support, amongst other areas. Even for those funders who do not have the time or resources to run a similar type of initiative for their grantees internally, they should still encourage and support their grantees to apply for and attend available leadership development programs. These could include, amongst others, the Dasra Social Impact Leadership and Accelerator Programs (both conducted by Dasra), the Strategic Nonprofit Management India program (conducted in partnership between Ashoka University, Harvard Business School and Dasra), and/or the Aritra – Leadership Accelerator Program[xxiii] (conducted by IIM Bangalore).

Leadership development should also account for developing an organization's mid-level management team, thus creating a leadership pipeline for the future. For that reason, funders should encourage their grantees to invest in developing the second rung of employees.

Moreover, leadership development support could also involve providing mentoring and coaching opportunities directly to your grantees. For example, Sean Sovak, Partner and Co-Founder at Lighthouse Funds and a highly engaged philanthropist, provided coaching support to Mumbai-based education NGO Muktangan through its succession planning process. The process began when he and a

few other mentors helped the founders clearly articulate Muktangan's mission— to provide "guide rails" for future leaders. Then he worked with the founders to reflect on past challenges as well as current team capabilities. Thus, he was able to help them through a successful leadership transition. Today, Sean serves on Muktangan's advisory board, and works closely with the organization to see through a smooth transition as well as ensure that the next generation of leadership has the adequate support needed to drive the work forward even after the founders[xxiv].

• Learning and Development (L&D)

In addition to the senior and mid-level leadership, funders should urge grantees to invest in learning & development for all their staff. According to a Harvard Business Review article from 2012, "Dissatisfaction with some employee-development efforts appears to fuel many early exits…[Workers are] not getting much in the way of formal development, such as training, mentoring, and coaching — things they…value highly.[xxv]" This, therefore, highlights the need for more robust learning and development opportunities for employees across hierarchies.

To support with this, funders should encourage and work with their grantees to create robust learning and development plan to develop their workforce's skills and capabilities to operate effectively. They should also urge their grantees to connect with consultant agencies that could support them to create such plans. One example of this is nonprofit HR, a US-based human resources firm, that has supported non-profits with conducting L&D needs assessments, developing L&D strategies, and implementing formal learning structures for their workforces.

Doing so would enable funders to help their grantees build out much needed programs and opportunities for their employees. This would result in a more motivated, engaged and high-performing workforce that is capable of achieving the organization's overarching mission and goals.

Key Guiding Questions for Funders

Leadership Development

- What is the organization's level of dependence on the Founder-leader?

- Has the organization identified the leadership capabilities it needs for the future?

- How does the Founder-leader see his/her involvement evolve / change in line with its future plans?

- Does it have a strong second line of leaders?

- What investment is the organization making in professional development of its mid-level managers?

Learning and Development for all employees

- How does the organization currently invest in developing its staff's skills and capabilities?

- What are the organization's plans for talent development?

- Has it thought through and planned for its learning & development needs?

5. There's no need to reinvent the wheel.

Modify and use existing monitoring & reporting templates to capture crucial talent management-related details from grantees

It is critical for funders to strengthen grant reporting templates to collect critical talent-related information and progress on practices from grantees regularly.

However, there is no need to create a new system or

process to capture this information. Funders can leverage their already existing grant monitoring templates or reports for this. For example, funders could ensure that reporting templates include a placeholder for grantees to report on talent management-related issues, in order for funders to keep abreast of their grantees' talent-related challenges and priorities.

Funders could also work with grantees to create measurable indicators to track progress along the organization's talent management-related desired outcomes, which they could use the reporting templates to measure. Some example indicators could include:
- Number of leaders (senior & mid-level management) who have attended at least 1 leadership development training
- Employee Satisfaction Index (could be done through surveys or tools like the Net Promotor Score survey, for example)
- Recruitment Indicators
  - Key hires during the period
  - Average time to hire for new position across levels
  - Recruitment process satisfaction amongst new hires
- Attrition Rate (would be good to check across levels and locations)
  - Number of planned vs. unplanned exits
  - Reasons for exit
- Average employee tenure (would be good to check for this across levels)
- Number and kind of culture-building initiatives/activities
- Number of Learning & Development activities offered to employees (if quantifiable)

Taking these steps would help funders have more informed conversations with their grantees on further steps needed to support talent-related initiatives.

Key Guiding Questions for Funders

- Has the organization created indicators to measure progress of its short-term, intermediate, and long-term outcomes in talent management?

- How often does the organization measure and review its progress with regard to these indicators?

6. Sharing is caring!

Start exploring the idea of a shared services model for talent management for your grantees

It is a well-known fact that non-profits are frequently resource-constrained. Due to this, leaders of non-profit groups often tend to expect more from everyone in the organization, from board members to paid staff to even volunteers. This leads to multiple people in the organization wearing different hats all at once, in order to get the job done with fewer hands.

As more and more non-profits seek alternate ways to be effective while simultaneously operating in resource-constrained environments, the concept of shared services becomes even more appealing. 'Shared services' refers to the practice when non-profits leverage their combined size and resources to spread the cost of integral services across a number of organizations, making these services much more affordable.[xxvi]

In terms of talent management, one area in which non-profits could collaborate is in sharing the services of a dedicated talent management specialist or consultant across all organizations. According to our survey, 33% of respondents indicated that they do not have any talent management team in place whatsoever. Further, only 9% of respondents indicated that they have a team size of three employees or more. What this tells us is that while nearly 70% of our respondents struggle with talent management (mentioned earlier in the report), many of them do not have a dedicated talent management team in place to address these challenges and issues. Therefore, a shared talent management professional can develop a talent management strategy for the organization, a compensation program, assist with recruiting and training, develop an employee handbook/manual, conduct new hire orientations, and more. Additionally, given the need for more coaching and mentorship support at the leadership level, non-profits could also consider sharing a common set of coaches and mentors amongst themselves.

Though the concept of shared services, particularly in the area of talent management has been largely unexplored in the Indian context, we believe there's great potential in such a model. And funders, given their vast networks and experience of working with varied non-profits, have the knowledge and visibility needed to take the first step in sparking a conversation around this. Therefore, we would encourage more funders to invite their grantees together through joint forums, understand their common talent management-related challenges, and then work with these grantees to explore the value addition and viability of a shared services model for them.

Key Guiding Questions for Funders

- Are there common talent management-related challenges that your grantees grapple with?

- What services do they need to address these TM challenges?

- What type or services do you believe are shareable? What services are not?

- Of the services that are shareable, do you believe there are any particular services that you, as a funder, could provide directly? (for example mentorship, coaching, etc.)

UNLOCKING FUTURE POTENTIAL
A CALL TO ACTION FOR THE SECTOR

When it comes to the future of the social sector, nurturing young talent is critical. Today, there are more young people in the world than ever before, with 1.2 billion adolescents[xxvii]. This demographic has the potential to bring about unprecedented social change. As a sector, we therefore collectively need to make the social sector a more desirable place to work in order to attract and retain more young talent.

Whether it is non-profits, intermediary organizations, accelerators, funders, experts, and others, everyone has a role to play in ensuring that more people begin to consider the social sector as a viable career pathway. Some of the ways to do this are:

• **Attending and organizing more campus and career fairs,** as these events would enable organizations to demystify the sector, and speak directly to prospective job speakers about what a career in the sector could mean for them. Organizations like Crossover Catalysts and Central Square Foundation already do this through handholding and providing support to corporate sector employees who want to make a shift to the social sector. Moreover, we would encourage educational institutions to start nurturing talent within the institute itself. While there are institutions, like ISDM, that focus exclusively on development management studies, which includes orienting students to the social sector, other universities could do more of the same as well. According to Nilesh Nimkar, Founder QUEST, it is as much the university's responsibility as the development sector's responsibility to invest in people and train them well for what a career in the development sector could entail. Thus, they will be aware of the career pathways and development opportunities in store for them should they choose to join[xxviii].

• **Allow for more mobility within the sector:** Many corporates offer sabbaticals to seasoned employees, in order to help them reset and come back more rejuvenated and refreshed, while simultaneously allowing them time to explore something different.

We would urge more social sector organizations to do the same. By encouraging employees to explore other opportunities within the sector, through internships or externships, they are enabling professionals to better understand all the different career pathways in the social sector. This also provides them with a clearer picture of what a career in the social sector could entail in the long-term. Omidyar Network and Dalberg are two employers that allow for this.

As we think about building on the talent landscape, below are a few other ways in which the sector can come together today to create a high-functioning workforce for tomorrow:

• **Creating more platforms for cross-sectoral dialogue & interaction between NGOs, funders, intermediaries, the government, etc. on talent-related issues, specifically, as this enhances knowledge sharing.** There are a number of platforms, run by intermediaries in India, which facilitate dialogue and knowledge sharing between different players in the sector. Dasra does this through our capacity building programs and communities of practice for non-profits and funders. ,Other organizations like Toolbox, Tech4Good, TechRasam, and Non-profit Finance Network do the same as well. But what these platforms could do more of, and/or what more intermediaries could do in the future is create opportunities through these platforms for dialogue around talent management, specifically. As we have discussed already, the sector is growing, thereby creating a need for stronger talent management practices. In order for non-profits to collectively understand talent best practices and co-develop solutions, we encourage more and more organizations to think of ways to build these cross-sectoral bridges and platforms.

• **Conducting more research on talent management practices in India's social sector:** This sector needs a seminal piece of primary research on is the current trend of talent in nonprofit sector and what the ideal should be given the international experience. While we hope this report is one step in that direction, we see great opportunity for other organizations to further build on our insights.

• **Developing more compensation benchmarking studies:** While compensation benchmarks are readily available in the corporate world, the social sector still grapples with this. Organizations like Sattva have conducted some amount of benchmarking exercises in the past, but research and data on this is still scarce and lacking. We believe there is a great deal of scope for intermediaries to explore this topic further.

Achieving scale is an inherently complex process and does not happen overnight. Organizations need to plan for scale, well in advance, in order to achieve the growth and impact they desire to achieve. This report speaks to the realities of talent management issues and, in particular, how non-profits and funders can work together to move the needle in the talent landscape. However, there are still a number of lingering questions to be answered and "homework" to be done by the sector as a whole.

Still, what our research, conversations with non-profit leaders, funders, and experts, and nearly 20 years of experience working with non-profits in India tells us is that the seeds for growth have already been sown. The future of the talent landscape in India (and, more broadly, the non-profit sector) looks promising.

Appendix A: Individuals Interviewed

Intermediaries

Anshu Bhartia, UnLtd India
Aruna Pandey, Indian School of Development Management
Moomal Mehta, Crossover Catalyst
Pritha Venkatachalam, Bridgespan
Satyam Vyas, Arthan Careers

Funders

Amira Shah Chabbra, Harish and Bina Shah Foundation
Narayan Krishnaswamy, Azim Premji Philanthropic Initiatives
Priyaka Nagpal Dhingra, A.T.E Chandra Foundation
Saurabh Nigam, Omidyar Network
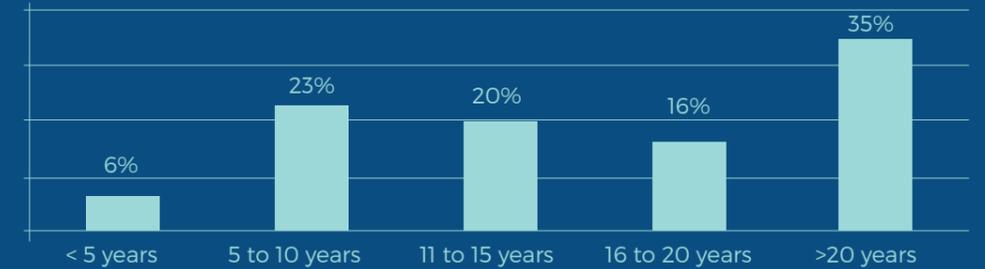Unnikrishnan T S, Great Eastern CSR Foundation

NGOs

Archana Chandra and Enma Popli, Jai Vakeel Foundation
Benaifer Reporter and Nitai Mehta, Praja Foundation
Kavita Wankhade and Vidya Jindal, Indian Institute of Human Settlements
Mohan N L, Karnataka Health Promotion Trust
Nilesh Nimkar, Quality Education Support Trust
Pooja Taparia, Arpan
Pranil Naik, LeapForWord
Priya Agrawal, Antarang Foundation
Dr. Shrey Desai, Sewa Rural
Shubha Goel, The Akshaya Patra Foundation
Sonal Kapoor, Protsahan
Venil Ali and Tanya Arora, Teach for India

Appendix B: Demographics of Survey Respondents

1. Age of organization

What is the age of your organization? (N=97)

Age	Percentage
< 5 years	6%
5 to 10 years	23%
11 to 15 years	20%
16 to 20 years	16%
>20 years	35%

2. Sectors

Which of the following sectors does your organization work in? (N=97)

Sector	Percentage
Other	5%
Urban Development	5%
Drinking water and Sanitation	8%
Emploability and Livelihoods	15%
Human Rights	9%
Health and Well-being	16%
Governance	7%
Energy and Environment	5%
Education	23%
Disaster Relief	3%
Disability	4%
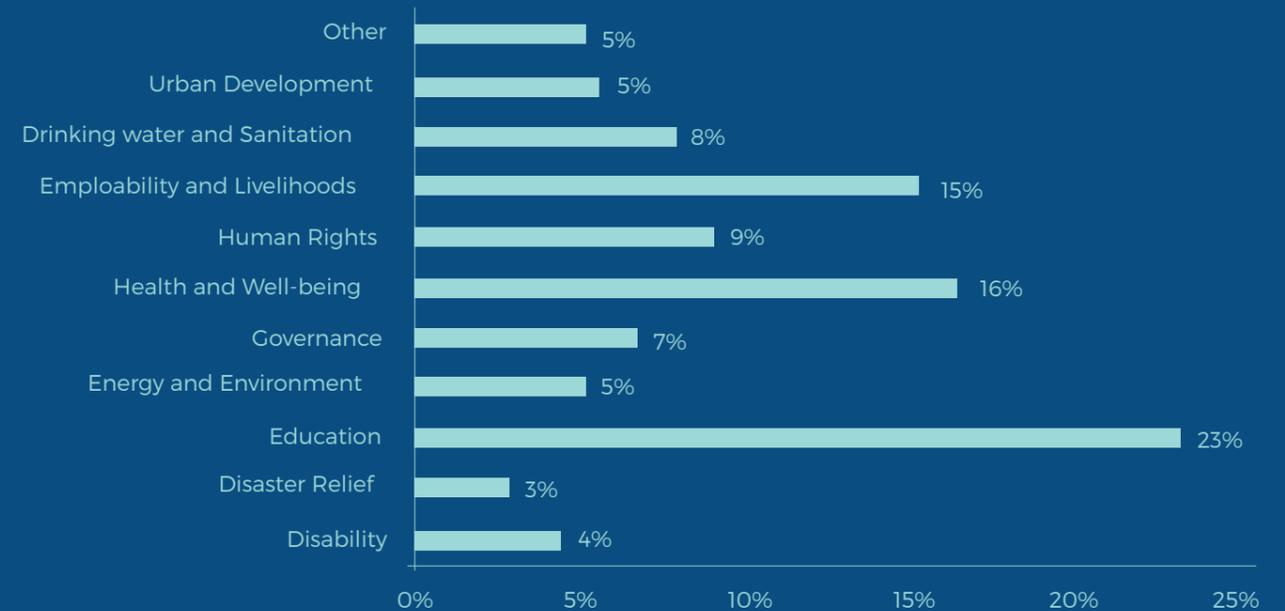
3. Location of Head Office

Head Office Location (N=97)

Pie chart segments:
- Bengaluru — 15%
- Delhi — 15%
- Lucknow — 6%
- Mumbai — 30%
- Pune — 6%
- Other city or town — 27%

4. Geographies of operation

Do your programs operate in the following geographic landscape? (N=97)

- Peri-urban — 49%
- Urban — 84%
- Rural — 69%

5. Annual Budget

What is your organization's total annual budget (in INR) based on the most recent year of operation? (N=97)

- Less tha 50L — 3%
- 50L - 1CR — 9%
- 1CR - 5CR — 44%
- 5CR -10CR — 18%
- 10CR - 50CR — 23%
- More than 50CR — 3%

6. Total Number of Employees

How many employees do you have (including full-time, part-time and volunteers)? (N=97)

- 1 to 20 — 14%
- 21 to 50 — 28%
- 51 to 100 — 28%
- 101 to 200 — 13%
- > 200 — 16%

7. Respondent role with the Organization

What is your role within the organization? (N=97)

- Founder/CEO — 41%
- CXO/Executive Director or Equivalent — 25%
- HR Head or Equivalent — 19%
- Other — 15%

8. States

Which of the following states do you have programs in? (N=97)

	0 - 10%
	10 - 20%
	20 - 30%
	30 - 40%
	40 - 50%
	50 - 60%

Map labels: Jammu & Kashmir, Himachal Pradesh, Chandigarh, Punjab, Uttarakhand, Haryana, Delhi, Sikkim, Arunachal Pradesh, Rajasthan, Uttar Pradesh, Assam, Nagaland, Bihar, Meghalya, Manipur, Gujarat, Madhya Pradesh, Jharkhand, West Bengal, Tripura, Mizoram, Daman & Diu **2%**, Dadra & Nagar Haveli **3%**, Chhattisgarh, Odhisha, Maharashtra, Telangana, Andaman & Nicobar Islands **2%**, Goa, Andhra Pradesh, Karnataka, Pondicherry **8%**, Kerala, Tamil Nadu

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Appendix C: Resources

This section consists of customized service providers, toolkits, and leadership development programs, to enable NGOs and funders to embark upon building their talent management capacity. This compendium, by no means exhaustive, includes some of the best-known resources available to organizations in India. It also includes specialist vendors that provide specific services across the talent management demands as laid down in the report.

Customized Service Providers

Arthan Careers
www.arthancareers.com

Arthan Careers is a marketplace for jobs in the impact sector. It supports mission-driven organizations in hiring key talent and supports job seekers in finding the job that matches their skills and aspirations.

Cerebrus Consultants
www.cerebrus-consultants.com

Cerebrus Consultants is a strategic advisory organization that provides HR solutions to both corporates and nonprofit organizations across sectors. Their CSR wing 'Cerebrus Foundation' does pro bono work for NGOs, particularly supporting women's empowerment.

Crossover Catalyst
www.crossovercatalyst.com

Crossover Catalyst is an executive search firm that helps non-profits recruit leaders and enable the transition of corporate leaders into the development sector.

Human and Institutional Development Forum (HIDF)
www.hidforum.org

HIDF engages with diverse actors in the development sector for enabling transformative social change through training and capacity building, organizational consulting, and research and knowledge building.

Jobs For Good
www.jobsforgood.com

Jobs For Good offers recruitment and HR advisory services exclusively to non-profits and social enterprises. It works to maximize impact by expanding the talent pool and effectively matching skills to opportunities to drive social change.

Sattva Consulting
www.sattva.co.in

Sattva assists non-profits in realizing their vision in a resource-efficient and effective manner through strategic, operational and financial consulting as well as program management services.

Social Ventures Partners (SVP) India
www.socialventurepartners.org

SVP India supports nonprofits in the area of livelihood. It supports building organizational capacity by providing general operating funds, skilled volunteers, professional consultants, and leadership development/ management training opportunities.

Social Lens
www.slens.co

Social Lens offers capacity building support for organization development and aids strengthening of internal systems across domains through diagnostic toolkits and frameworks.

Start Up! India
www.startup-india.org

Start Up! is an angel investor, incubator and consultant to social entrepreneurs. It offers incubation, impact acceleration and management consulting services to social ventures at different stages in their lifecycle – early, growth, and mature.

Third Sector Partners (TSP)
www.thirdsectorpartners.com

Third Sector Partners provides executive search services for leadership positions in development organizations, social enterprises, CSR, and sustainability sectors.

ToolBox India Foundation
www.tbxi.org

ToolBox provides strategic assistance to non-profit, growth-stage organizations through its portfolio of highly skilled corporate volunteers who work on a pro bono basis.

UnLtd India
www.unltdindia.org

UnLtd works with early-stage social entrepreneurs and non-profits on leadership development, accelerating impact and preparing organizations for scaling and further investment.

🔧 Toolkits

Human Resources Toolkit for Small and Medium Nonprofit Actors CHS Alliance www.chsalliance.org	A toolkit designed to provide individuals in charge of human resources in NGOs with good practices to inform the development and/or enhancement of HR policies and a framework to assess HR needs and plan a course of action.
Executive Team Diagnostic Tool The Bridgespan Group www.bridgespan.org	A diagnostic to help NGO leaders pinpoint areas for improvement and more deeply explore what it takes to be an effective nonprofit executive team.
Leadership Development Toolkit The Bridgespan Group www.bridgespan.org	A free online toolkit for developing the next generation of leaders in nonprofit organizations through "Plan A"—a three-year road map that spells out leadership needs, identifies future leaders, and details activities to strengthen leadership skills.
Nonprofit Job Description Toolkit The Bridgespan Group www.bridgespan.org	A toolkit that features a wide range of sample job descriptions for senior nonprofit leadership roles, including CEO/executive director, COO, CFO, board member and more.
Talent Investing Toolkit Fund The People www.fundthepeople.org	A free, interactive online toolkit containing how-to and discussion guides to help non-profits maximize investment in the nonprofit workforce.

📊 Leadership Development and Training Programs

Aritra Leadership Program Phicus Social Solutions and IIM Bangalore www.aritra.org	This program is aimed at leaders with 8+ years of experience, it focuses on deepening knowledge and skills in key areas required for organization building and developing a second line of leaders.
Aspire Circle Fellowship Aspire Circle www.aspirecircle.org	This fellowship focuses on development of personal leadership, professional leadership and thought leadership using the Socratic dialogue-based methodology.
Continuing Education Indian School of Development Management (ISDM) www.isdm.org.in	This program is designed to help professionals from the social sector with at least 2-3 years of experience to grow by developing skills relevant to non-profit management.
Dasra Social Impact (DSI) Leadership and Accelerator Programmes Dasra www.dasrasocialimpact.org	DSI programs are a peer learning-based initiative targeted at leaders of social organizations to help them grow strategically and achieve scale.
Integrated Sustainable Development Leadership Program LEAD India www.leadindia.org	A program for mid-career professionals focused on building systems-thinking and adaptive leadership to take on sustainability challenges.

Leading for Impact The Bridgespan Group www.bridgespan.org	A program for executive teams of large non-profits with revenues over INR 13 crore to pursue strategic opportunities and build capacity to improve their performance over time.
Multiple Customized Programs Amani Institute www.amaniinstitute.org	Amani Institute offers customized training programs in a number of topics critical to professional success in the 21st century to enable the ongoing professional development and lifelong learning of people inside institutions.
PGP in Development Management (PGPIDM) SPJMIR www.spjimr.org	PGPIDM is a specialized executive management program for young development sector professionals focused on finance, fundraising, change management, governance, communication skills, etc.
South Asia Leaders Program Common Purpose www.commonpurpose.org	This program for leaders from the South Asia region blends face-to-face modules with online learning aimed at broadening cultural intelligence, building relationships and leading change.
Strategic Perspectives in Nonprofit Management (SPNM) Harvard Business School www.exed.hbs.edu	SPNM is a six-day residential program for non-profit executive directors and CEOs from around the world that covers leading change, scaling impact, building strategic partnerships, and measuring and managing for high performance.
Strategic Non-profit Management India (SNMI) Harvard Business School with Ashoka University and Dasra www.exed.hbs.edu	SNMI is an executive education program for senior non-profit leaders aimed at building sustainable institutions at scale.
Training and Capacity Building Association for Stimulating Know-how (ASK) www.askindia.org	ASK offers multiple courses and training on organization development, change management and strategic planning for established Indian organizations.

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