

Writing Great Grants - Organizational Leadership – An M.J. Murdock Charitable Trust Podcast

Colby Reade: Welcome to the M.J. Murdock Charitable Trust podcast on Writing Great Grants. We're a private nonprofit foundation serving the Pacific Northwest. Over more than 44 years, we've awarded more \$1 billion in grants to organizations that serve and support our local communities. On this podcast, we want to share insights and information to help nonprofits flourish and thrive in order to serve the common good. On today's episode, our [00:00:30] host Steve Moore, the executive director of the Murdock Trust, sits down with Jill Lemke and John Franklin to discuss organizational leadership.

Jill comes from a background in the sciences, earning a bachelor's and master's in biology from Texas Tech, and then completing extensive graduate study in counseling and psychology at Western Michigan University. She invested the first chapter of her career as an educator working with high school and college students on a variety of STEM subjects before she joined the Trust as a program director more than one decade ago. In addition to her work with grantees, during [00:01:00] her time with the Trust, she also oversaw the Partners in Science program for our organization for a number of years.

John also comes from a background focused on helping grow and develop young people. Prior to joining the trust in 2012, John invested more than 30 years in various leadership roles for Young Life. A graduate of the University of Oregon, John earned his master's from Fuller Theological Seminary and is actively involved with a number of nonprofits around the region. In addition to his hands-on work supporting nonprofits through the Murdock Trust grant application process, John [00:01:30] has helped lead some of our enrichment programs as well, including the Essentials of Development program. Enjoy the conversation.

Steve Moore: Jill, when we're looking at grants and grant applications, and really organizations, perhaps there's nothing more important than this idea of organizational leadership.

Jill Lemke: Mm-hmm (affirmative).

Steve Moore: When we talk about that, though, that may be kind of a code word, and people may not know what we're talking about. What would we mean when we say organizational leadership [00:02:00] and how important that is?

Jill Lemke: Well, leadership in an organization is what we look for in two different layers, for the most part. It's the executive leadership of the organization, sometimes called the CEO or the executive director or president of the organization, and then the board. Board is also a very important aspect of leadership. Board members are volunteers who have signed on to help steward the mission and the resources [00:02:30] of an organization. And they're as important to the flourishing of an organization as a good solid executive director.

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Steve Moore: That's great. And whenever someone in a sense signs on to be a board member, generally they have different roles that they play in support of the organization. We talked some about the governance hat and the participant hat and the volunteer hat, but maybe you could just flesh out what [00:03:00] some of those mean and the different ways that they take effect.

Jill Lemke: Sure. So let's start with the governance hat. That's typically what we think is the most important role and it is very important. So governance meaning... This is where the board together actually oversees the executive director. It's kind of like the executive director's boss. So they're overseeing the executive director. So they [00:03:30] actually oversee the executive director, that's the boss of the executive director, but they're also looking at... They have fiduciary responsibility. We use that word a lot. But what that means is, do we have enough resources? And where's the money coming from? And are we keeping a good accounting of our resources?

Steve Moore: And is it being deployed in ways—

Jill Lemke: Exactly.

Steve Moore: ... That really do steward the mission?

Jill Lemke: Exactly. And always with that mission at the forefront. It's the why. It's why the organization exists. It's why the programs exist. It is the why. The programs [00:04:00] are the how, but the mission is the why. And so the governing hat or the governing aspect of the board is to oversee the executive director to make sure that the mission is being stewarded in and executed. But then also the financial responsibility, and then just the other resources of the organization. Is the organization moving forward in the advancement of its mission?

Steve Moore: That's a great one. Maybe you all could think for just a second about some of the places [00:04:30] that you've seen board governance not work well. Two or three examples where you say, "Oops, that's not really working too well." And it may be a case where many members of the board are trying to, in a sense, run the organization—

Jill Lemke: Right.

Steve Moore: ...Instead of letting the executive team run the organization and they work on really stewarding the mission and the executive leadership. Are there other ones that [00:05:00] come to your mind?

Jill Lemke: Yeah. I had the unfortunate experience of sitting at a table with an organization whose board pretty much just abdicated its governance role. And unfortunately, a new executive director came in, had no idea that the financial resources... They were in dire straits. It was bad news. And it's like the executive director had no idea. She was new and... As I was [00:05:30] sitting at the table with one

of the board members, it was like I just wanted to say, "You were asleep at the switch. You let this organization run out of resources." And a new executive director is not going to fix something that is much more fundamental to the running of an organization. And that is, somebody needs to be looking at the financial stewardship of an organization.

Steve Moore: That's great. And sometimes when things are going well, it's tempting for a board just [00:06:00] to sit back and say, "Let it roll." Or if they've got a really strong leader—

Jill Lemke: Right.

Steve Moore: ... To just simply say, "Let's just turn it over to him or her and let them run with it." What are some other examples that you've seen, John, that you go, "Oh boy, we've got a problem here."

John Franklin: I think that a lot of times you'll see executive directors that are on the board, which is okay, but honestly it's best that they're a non-voting board member. And if they have a vote on the board, [00:06:30] you want to find out really what the board is doing in order to keep proper board governance. Or, in other words, does that executive director really have too much weight, too much control? And when we can ferret that out, sniff that out, that the executive director really does in many ways wield too much authority on the board, then that's a concern.

Steve Moore: Yeah. That's a great one, I think. And sometimes we find that boards are not [00:07:00] adequately understanding of even the day-to-day operations or the mission expressions of the organization.

John Franklin: A real key thing, I think, in building a healthy board is your orientation of board members. Have you really thought that through, both in terms of them understanding the history of the organization, what you do, what your mission is, but then also clearly understanding their roles, their responsibilities, their expectations? So your whole process of board orientation is really, really well thought through.

Steve Moore: And we also like [00:07:30] to see that the board fit the context of the kind of organization. We don't believe one-size-fits-all and one board-style-fits-all. What are some examples that you've seen of some good organizations that... And things you go, "Wow, they've got this... They're really doing well on this."

Jill Lemke: Well, one important thing about... For leaders, what's really great is when a leader understands that she or he cannot do everything. [00:08:00] That they don't have the entire toolbox of every type of leadership skill. And so a good executive director will surround herself or himself with a board that compliments the skillsets that they are lacking, or that just needs some reinforcement. The executive director should not be the expert in everything.

And so that board, the diversity of skillset [00:08:30] of working, of volunteering, of all these different things that the board comes alongside the executive director, and actually supports the work of the executive director.

Steve Moore: Yeah. That's a great one. And John, sometimes we see boards that want to hire a consultant to help them. What's an example, or what's an important principle that they need to follow as they think about having a consultant work with the board or with the executive leadership team?

John Franklin: [00:09:00] I think this sounds like stating the obvious, but they first need to figure out why they want to hire a consultant. What exactly is that consultant going to do? I think a lot of times executive directors realize, "Our board is struggling. It's just not a good board." And they bring in a consultant not really knowing how they need help. So really honestly, that consultant's going to spend the first amount of time, just doing an audit on your board, figuring out what the issues are, which is fine, but it'd be [00:09:30] more effective to know exactly what the issues are you want to address and go find a consultant that can really help you with that.

It might be the issue of them not stepping up in terms of governance. It might be that they're not helping you with their fundraising at all. But I think you've got to know why you exactly want to hire a consultant and are they really going to be able to help you, or do they need to really consult with you in terms of your ability to work with a board and develop a board?

Steve Moore: Yeah, that's a good one. Jill, we sometimes say we expect 100% [00:10:00] of the board members to be giving to an organization. Why would we do that? Why would that be an important thing for organizational leadership?

Jill Lemke: Well, we believe that one of the most critical and tangible ways a board shows their support of an organization is by their financial support. And one thing, they're asking our board to support their organization through a grant. But if the board is not supporting [00:10:30] that organization with its finances as well, that speaks to, we consider at the Trust, a lack of support, a lack of engagement with the organization.

Steve Moore: So it's not as so much a formulaic thing as it is a principle of a good practice.

Jill Lemke: And we don't look for a dollar amount. It's not like everyone is supposed to give it a certain level. That's not for us to say. That is for the board chair and the board and the executive [00:11:00] director to all look together and say, "What is a reasonable amount?" And some people are not going to be able to give as much as somebody else, but everybody should be able to give something to show 100% board support.

Steve Moore: Yeah. I've been on boards where they, in the orientation, said, "Every board member needs to bring time, talent, and treasure." There's different kind of

alliteration that people use, but the principle's the same: that you're willing to invest in the organization in that [00:11:30] way. John, anything else that you wanted to say?

John Franklin: I was just going to say, I think a good rule of thumb or a good way of expressing that responsibility is that our organization should be in your top three things that you give.

Jill Lemke: Right.

John Franklin: And if it's not, then really for the welfare of that board member, release them to be on a board where it is in their top three.

Steve Moore: Or in some other role in supporting the organization and advisory committee or [crosstalk 00:11:57] some other thing. Yeah. So when you go into [00:12:00] a site visit, because you guys do site visits all the time, what's one of the first things that you're going to ask or that you're going to look for in evaluating a proposal and beginning to evaluate an organization and their organizational leadership? Jill, what do you look for?

Jill Lemke: Well, first I just watch and listen and look at the dynamics. What do the communication lines look like? How engaged is the executive director [00:12:30] on the discussion of this proposal? Does the executive a director know what this proposal is about? And you would think that would be a given, but it's not. Sometimes somebody else has written the proposal, somebody else is shepherding this program expansion or something. And the executive director doesn't have a really good command of either the organization itself or what they're asking the trustees to invest in. So I look for that. Is the executive director appropriately engaged with the information and [00:13:00] the goal of this proposal?

And then I look at the interaction between the executive director and the board. What does that look like? Who's running the show? And in a good, healthy site visit, a good healthy organization, you see the board member being engaged as well. Sometimes you have a couple board members, but the board members need to understand what's going on too. If they're to have governance over the financial and the mission of the [00:13:30] organization, financial stewardship and the resource stewardship and the mission, they should know what's going on with this proposal. If the board member has no idea what the organization is asking for, that is a red flag that this is not a good communication. They're not talking to each other outside of this room. So it's kind of interesting. Just by observing, you learn a lot about the communication lines within an organization.

Steve Moore: Yeah. That's why [00:14:00] we call it organizational leadership.

Jill Lemke: Right. Exactly.

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Steve Moore: John, anything when you go on a site visit that you go into a site visit and begin to look for and you're always sure to ask?

John Franklin: Well, I really agree with what Jill said. Measuring the engagement level of board members, and I don't know if I have anything to add to that, except that that's critically important. And that sometimes depends on the size of the organization in terms of their awareness of the project. If they're a huge [00:14:30] organization where it's really just high-level governance, they might not be as in tune with the specifics of the actual proposal. But if they're a smaller organization, we would expect that the board would really understand and be highly engaged with the actual request itself, because they're key in the strategic planning process with this organization.

And a question I'll just tell you that I'd like to ask it in a site visit to get a feel for the relationship between the board members and the executive director and the leadership that the executive director is [00:15:00] giving, I'll say, "So if your executive director were retiring tomorrow, what would you say about their contribution to the organization? What's their legacy?" And if there's weakness in responding to that, it causes me to pause a bit in terms of the leadership that the executive director has actually given you [crosstalk 00:15:16].

Steve Moore: That's great. Now everybody's going to have your secret question. They can rehearse that ahead of time. So-

John Franklin: Yeah.

Steve Moore: Yeah. Jill, do you have one?

Jill Lemke: I always ask about board engagement. I say, "We always ask, what is [00:15:30] the level of board giving?" We ask for a total dollar amount. That's no secret, that's no surprise. It shouldn't be a surprise that we ask for a total. We don't want to know how much each individual donor gives, but we want to know what the total board giving is to an organization. But then we say... So let's just talk about board engagement. How does your board engage with this organization? And sometimes especially in a small organization like John was talking about, it's all hands on deck.

John Franklin: Right.

Jill Lemke: Everyone's rolling up their sleeves and we're painting. And we're making sure that somebody's at the [00:16:00] front desk answering the phones. And that's—the board leads out on that. Or it's a larger organization where the board is involved in and engages with the organization by bringing friends to the annual fundraising event, or having lunch with groups of people as ambassadors for the organization. So it really is, what does engagement and support look like to this board? Again, it's not a one-size-fits-all [00:16:30] every organization

depending on how developed they are is going to have a different way that engagement looks.

Steve Moore: And we would really want them to have thought that through.

Jill Lemke: Yes.

Steve Moore: That's the key, is that they've thought it through.

John Franklin: Yeah. I think one other thing I would... A common denominator is something that—really regardless of the size of the organization—that I would look for in terms of the board and the executive director being aligned, would be their understanding of the strategic plan of the organization. When it's clear that, for example, how this particular [00:17:00] project they're approaching us is related to a specific item in their strategic plan, that they're really operating off the same page, that really speaks to me at least. That they really do have a strategy. That they know where they're going, and that they're on the same page. And that's impressive. Because sometimes you'll go in and join a site visit and it's clear that they're not really aligned.

Steve Moore: Yeah. That's a great observation. And we've all been in meetings where we've seen... Where our board, in a [00:17:30] sense, looks at this organizational leadership piece as such a fulcrum piece of the grant and the application. And where is the organizational leadership? In some ways the organization can rise and fall on its organizational leadership. And asking great questions is another thing that I think we oftentimes... And on our website, we've got a number of questions that we are going to ask [00:18:00] about organizational leadership. So groups can prepare ahead of time if they want to see what some of those questions may be. And you've already shared some of the questions that you all often ask. Is there anything kind of closing out that you would say, "I just hope that organizations, when it comes to organizational leadership, they think about this." Jill or John, anything come to your mind?

John Franklin: I think one of the things I would say as an encouragement [00:18:30] to executive directors, to lead an organization is hard. It's a tough job. And especially when you're in a nonprofit work, your board is your boss. You might have 15 bosses that are often saying different things. And so I feel like it's important as an executive director to be an ongoing learner and to find a mentor. Maybe your organization can't afford a consultant, [00:19:00] but to go find a mentor, somebody that you can meet with on a regular basis and just bring issues and questions to the table. But don't give up on yourself too soon, but give yourself some grace to grow and to learn and to excel. And over time, the things that you're struggling with now can become actually skills that you develop.

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Steve Moore: Yeah, that's a good one. And in those times that you may feel that 15 different bosses...in reality it's just one, because the board chair is the only one that can [00:19:30] speak on behalf of the board.

John Franklin: Yeah.

Steve Moore: And that's... Again, another aspect of an effective board is that the board speaks as one when it comes to the executive director or to any of the other work of the board. Jill, anything come to your mind?

Jill Lemke: Yeah, I would say... I appreciate that, John, and what I would say is, it's not just the executive director's job to go find what the executive director needs. It's also the board's responsibility. That's one way the board can take care of the executive director. Is to say, [00:20:00] "Are you getting vacation? I noticed you haven't taken a vacation. What do we need to do to help you get a vacation?" That's what a boss would do. It's, "I noticed you're not doing this. What professional development opportunities can we help make happen?" And so it's not just the executive director leading out, but also the board leading out and understanding that the executive director is one of the most important resources of that organization and to make sure that they are taking care of that [00:20:30] vital resource.

Steve Moore: Yeah. That's a great point. And it really speaks to the organization being a learning organization. That there's always vibrant conversations going, and it's a learning organization. They're seeking to grow in the way that they operate and to be more effective in the way that they work. Anything else that you all would have as you close?

Jill Lemke: Let's circle back to those three hats—

Steve Moore: Yes. Good.

Jill Lemke: ... You mentioned at the very beginning. So the first was a governance hat and [00:21:00] we talked a lot, because that really is a primary role of a board. But then there's the participant hat. Sometimes a board member is just asked to show up and help at a fundraising event or something where they are participating in a program or the life of the organization. But just to remember that they're not wearing a governance hat there, they're not there to boss around and tell how things are done.

Steve Moore: They're not a management hat.

Jill Lemke: They're not a management hat. And then there's a volunteer hat. And sometimes [00:21:30] they're acting like any other volunteer at an organization. So if you're... Whatever that looks like for your organization. But those are the three hats, the governance, participant, and volunteer.

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Steve Moore: And it's a good thing for a board member to very consciously or subconsciously say to themselves "As I'm walking in today, which hat am I wearing?"

Jill Lemke: Exactly.

Steve Moore: Yeah. That's a great point. John, anything else mind?

John Franklin: Well, I would just build on that. When we do our fundraising training program at the Murdock Trust, which is called [00:22:00] the Essentials of Development, we're often working with small- to mid-size organizations that don't have development staff. So that's why we recall in our training to have two board members there that will roll up their sleeves and be involved as partners or volunteers and donor development. It's really critical for an organization to get over the hump, to where they're actually able to hire development staff. That board members are realizing, "Hey, we are on the development staff—

Jill Lemke: Right.

John Franklin: ... As we start out together."

Steve Moore: So John, I'm going to put you on the spot on this one. [00:22:30] Because you've led dozens and dozens of organizations through that Essentials of Development. You've watched our organizational coaches go out and meet with organizations. What is often the one aha, the light bulb going on, that consistently comes on when groups go through Essentials of Development?

John Franklin: That's a really good question. I think just actually what I just said just a second ago that they realize it's a team sport, [00:23:00] that if this is going to be sustained in the organization, there's a good chance our board members actually might outlive our executive director. So if this isn't embedded and sustained within the board, then we might abandon the whole philosophy that we spend a whole year learning in terms of the development training and go back to what we were doing before that really didn't work. So the board's got to own it. I would think that might be the common ingredient.

Steve Moore: Yeah. That's a great one. Great insight. Okay. Jill, I'm going to put you on this. Oh, you want to answer that?

Jill Lemke: I was just going to add to that, John, on what you said [00:23:30] earlier about onboarding, how important it is to onboard well. Because there's always a freshman class on your board, and you don't want to assume that the freshman class knows what the seniors know. Make sure you onboard well.

Steve Moore: Yeah. And I know in our board workshop they talk about onboarding well and off-boarding and recognizing and celebrating people well. Those are important things too. But Jill, as both an educator and as a counselor and now as a nonprofit [00:24:00] leader, a program director, what's one thing that you have

just seen the light bulb go on in regard to organizational leadership? That organizations get an insight and you go, "This is a great one. I love it when this light bulb goes on."

Jill Lemke: Yeah. Oh, that's a great question. I love watching an organization—because sometimes we have repeat grant [00:24:30] requests from an organization. And watching the development of an organization from maybe either a founder, where you got the founder board and you got the executive director leader, everyone's volunteering. And watching them over the years develop and grow and... It's a layered effect. First is this step and they got that down. Well, then now the executive director, "Well we're ready for a paid executive director." And then just watching that organization develop [00:25:00] and flourish and how a healthy organization engages in the resources that are available in their own development and whatever that looks like to continually evolve and to stay ahead of... To not continually be reacting to what's going on, but rather to be anticipating and evolving along with what's going on out there. That just makes me happy.

Steve Moore: It makes it worthwhile.

Jill Lemke: It really does. Really.

Steve Moore: [00:25:30] It's always so fun for me to see you all engaged with organizations and to listen as you ask questions to organizations and to see the kind of interaction that occurs in the room that include staff members and board members and maybe some community leaders. And just to see that conversation happen that sometimes doesn't happen on a regular basis, but happens because [00:26:00] there's been a designated time to interact and to recognize the important work that they do. That's a great lightbulb moment that I think is always fun. And I know it's why people love to have John Franklin or Jill Lemke as their program director. So thank you. That's an awesome thing.

Jill Lemke: Well, one thing I would just add to that, Steve, is just an encouragement to an organization that is applying to a grant. This is a very conversational [00:26:30] experience. We really try to get to know your organization. We're not sitting there at a site visit with our list of, "Oh, they messed up there." "Oh, dropped the ball there." "Oh..." We are there... Our trustees have asked us to help build the nonprofit ecosystem. And that's one of the ways that we get to participate, really hands on, is having [00:27:00] these direct conversations at a site visit and the follow up. And even if a grant is not made, we hope that there's been something that has been a benefit to that organization through the process.

Steve Moore: Great.

John Franklin: Know that we've added value, I'd agree.

Jill Lemke: Yeah.

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Steve Moore: That's great.

Colby Reade: And that wraps up this episode of the M.J. Murdock Charitable Trust podcast. For more information on Writing Great Grants, as well as resources on fundraising, [00:27:30] board development, leadership, team management, and a variety of other topics in the nonprofit space, please visit our website murdocktrust.org. This episode of the M.J. Murdock Charitable Trust podcast was recorded at the Luis Palau Association studios in Beaverton, Oregon. Episode produced by Colby Reade with sound engineering by Doug Steward and special thanks to Kaedyn House. Music by Lobo Loco via the Free Music Archive. Copyright M.J. Murdock Charitable Trust, 2020. All rights reserved.