

ADAPTING TO DISRUPTION

EARLY OBSERVATIONS ON NONPROFIT RESILIENCE

Diana Searce

Nonprofits are experiencing a wide range of disruptions. In some cases, these shocks are existential in their scale or urgency. In other cases, they are more expected and everyday – although consequential – in nature. In all cases, resiliency is a vital characteristic of effective organizations.

Resilience at work

In the summer of 2017, the public radio station KQED suffered a ransomware attack that effectively shut down all digital communications, but did not take them off the air. KQED responded by modernizing its IT infrastructure with enhanced security measures, all while the work of reporting and programming continued.

When devastating wildfires hit California's North Bay communities in the fall of 2017, the Sonoma County Community Foundation was at the forefront of the philanthropic response, quickly launching a fund to channel donations to support long-term rebuilding needs even as the fires continued to burn and the community managed through the trauma of lost loved ones and homes.

Managing through disruption is intrinsic to the National Immigration Law Center's (NILC) mission to defend and advance the rights of immigrants with low income. The election of Donald Trump in the fall of 2016 ushered in a new level of intensity of assault, bringing forth a maelstrom for immigrants' rights that had been many years in the making. NILC has responded with force and, in the process, grown their base of supporters by over 3,000%.

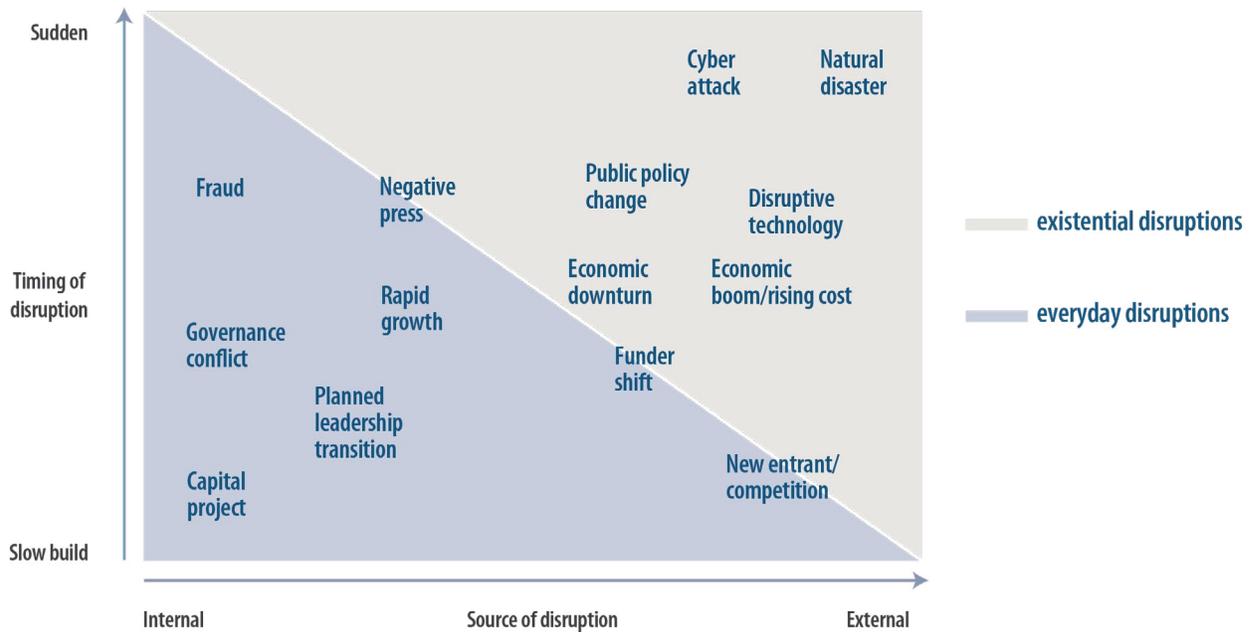
The Partnership for Public Service, a nonpartisan organization dedicated to making the work of the federal government more effective, was founded and originally funded entirely by a single donor. When the Partnership's primary benefactor unexpectedly passed away, the nonprofit had to quickly shift its funding model. Today, the Partnership has a robust mixed-revenue funding model and the organization has grown its budget from \$10 million to \$16.4 million over the past decade.

After suffering structural damage in the 1989 Loma Prieta earthquake, the museum and educational institution California Academy of Sciences decided it was time for a new building. A massive capital campaign was mounted, followed by the construction of a new state-of-art building, and temporary relocation of exhibits and staff. The California Academy of Sciences eventually moved into and adapted to the new space in 2008, all the while undergoing multiple executive director leadership transitions.

A time for resilience

The operating context for many nonprofits demands a spotlight on resiliency. Nonprofits are experiencing a steady stream of shocks, surprises, and disruptions. Some are existential shocks that call into question an organization’s mission or ability to operate, like natural disasters, major policy shifts, economic recessions, and cyber attacks. On the other hand, there is the internal churn that comes with more common and often slower moving changes, like shifts in funding, leadership transitions, managing growth after receiving a windfall financial investment, or entering into a sizable new partnership.

SAMPLE DISRUPTIONS, EXISTENTIAL AND EVERYDAY



The volatility experienced by nonprofits is rarely due to an isolated event. Just as it’s common parlance to talk of our interconnected and dynamic world (think extreme weather, growing inequality, and political polarization), nonprofits are embedded in similarly complex and changeable systems. Highly visible shocks are often the tips of icebergs comprised of many interconnected disruptions emblematic of the ongoing change and turmoil experienced by countless nonprofits.

Surviving and even thriving amidst such volatility requires **organizational resiliency – the ability to adapt successfully to new and unforeseen circumstances and to seize opportunity in these moments of change**. Resiliency is a broadly applied concept – used in fields as varied as engineering and emergency response, ecology, and psychology. There is deep scholarship on resilient ecosystems, social systems, communities, and individuals. While there is no single definition of resilience across disciplines, there are patterns and commonalities that can help us understand organizational resilience, namely the ability of an entity to maintain its core purpose in the face of shocks and challenges and, in doing so, adapt to and even thrive in the face of disruption.¹ Organizational resiliency is not simply bouncing back to the original state; it often means evolving towards a new state, and thereby remaining relevant in a dynamic environment.

¹ See Andrew Zoll and Ann Marie Healy’s *Resilience: Why Things Bounce Back* (2012) and the Community and Regional Resilience Institute’s “Definitions of Community Resiliency: An Analysis” (2013).

A closer look

In late 2018 and early 2019, a total of 28 nonprofit leaders representing 18 diverse organizations and networks were interviewed about how their entities have weathered disruptions. Interviews took place as part of an inquiry led by the S. D. Bechtel, Jr. Foundation to explore what it takes to cultivate nonprofit resiliency.² Organizations and the disruptions they experienced were varied.

NONPROFITS INTERVIEWED AND THE NATURE OF THEIR DISRUPTIONS

Nonprofit	Nature of the disruption(s)
ACLU	Public policy change, sudden growth in funding
Audubon California	Leadership transitions, HQ/affiliate tension
Big Brothers Big Sisters of America	Investigation, HQ/affiliate tension, leadership transitions
Boy Scouts of America	Negative press, investigation, HQ/affiliate tension
BUILD	Leadership transition, funding shifts
California Academy of Sciences	Capital project, leadership transitions
Colorado River Sustainability Campaign	Public policy change
Community Foundation Sonoma County	Natural disaster
Community Science Workshop Network	Governance conflict, leadership transition
Direct Relief	Rapid growth in funding
First Place for Youth	Public policy change
Health Connected	Public policy change, growth in demand for services, media attention
KQED	Cyber attack
National Immigration Law Center	Public policy change, growth in funding, need to quickly scale up
Partnership for Public Service	Sudden decline of funding, industry disruption
San Francisco Classical Voice	Rising cost of operations, leadership transition, disruptive technologies
Sustainable Conservation	Rapid growth
Techbridge Girls	Rapid growth, leadership transition, loss of major donors

A SHOCK ISN'T NECESSARILY A BAD THING

The framing of “disruption” and “shock” assumes that the event was, for the most part, negative. Yet, some of the organizations that exhibited the greatest resilience were those that welcomed a shock. They saw it as a moment of opportunity to advance the work and, in some cases, may have even proactively cultivated that opportunity.

According to First Place for Youth Chief Finance and Growth Officer Liz Bender, “The notion of disruption doesn’t have to be negative ... we’re oriented toward opportunity or taking advantage of a situation for the better.”

Similarly, KQED Executive Director of IT John Reilly reflected on what was possible after a ransomware attack: “While I wouldn’t wish what happened to us on anyone, the crisis provided a rare opportunity to modernize our systems efficiently and effectively.”

² Interviewees represent 18 U.S.-based nonprofits – including both standalone institutions and networks. These entities range in size, some with annual operating budgets under \$250,000 and a few full-time staff, others with budgets nearing \$100 million and huge staffs. Some are advocacy organizations, others work in direct services. Their respective issue focus varies as well, from youth development to human rights to media. Their respective reach encompasses local, state, national, and global levels. This degree of organizational diversity was important given the exploratory nature of the study. However, the findings cannot be generalized due to the small sample size.

What we're learning:

Resiliency characteristics and context

Three characteristics emerged as particularly critical to nonprofits' ability to maintain a consistent commitment to purpose while adapting to significant change:

- 1 Leadership.** Steady and supported leadership that projects a vision of hope while being transparent about the challenges at hand
- 2 Planning.** Practices for thinking long-term and navigating uncertainty that help the organization anticipate disruptions and respond in a timely manner to changing circumstances
- 3 Culture.** Organizational cultures grounded in trust and inclusivity that invite and respond to feedback and offer a range of supports for staff during times of disruption

In addition to leadership, planning, and organizational culture, interviewees spoke at length about the importance of the fundamentals: having a financial cushion when new and hard-to-predict demands are being placed on the organization, and ready access to the capacity and talent needed to respond to a disruption (e.g., crisis communications resources). While such fundamentals are unquestionably central to organizational *robustness*, they are different in nature from characteristics essential to organizational *resilience*. Andrew Zolli, author of *Resilience*, writes, "resilience is not robustness, which is typically achieved by hardening the assets of a system. The Pyramids of Egypt, for example, are remarkably robust structures; they will persist for many thousands of years to come, but knock them over and they won't put themselves back together."³ Put another way, qualities of a robust organization, like having a financial cushion, may be necessary but are not sufficient for an organization's ability to respond and adapt to major disruption.

Furthermore, there is a broad and well-documented suite of capabilities known to contribute to organizational excellence and many helpful frameworks and assessment tools for a comprehensive look at organizational health – the [Performance Imperative](#), the Ford Foundation's [Organizational Mapping Tool](#), and TCC Group's [Core Capacity Assessment Tool](#), to name just a few. An understanding of nonprofit resiliency doesn't replace the need for such comprehensive models. Instead, a focus on resiliency shines a light on a subset of qualities and capabilities that deserve special attention in turbulent times.

The following sections offer early observations on the qualities underlying each of the three characteristics critical to nonprofit resilience: steady and supported leadership, long-term and adaptive planning, and healthy organizational cultures. There is still much to learn and explore about these underlying qualities, their relative importance, and how they connect to one another.

3 [Resilience: Why Things Bounce Back](#), p. 13.

1. Steady and supported leadership

Leadership emerged, not surprisingly, as perhaps the most critical capacity in turbulent times. Interviewees reflected on the importance of leadership that is steady and transparent, while also offering a vision of hope. Many leaders themselves commented on the importance of their network connections and of support received from strong boards and through advisory relationships.

Offers a vision of hope and optimism in the face of challenge

- “This was an instance where I felt that this was my job – to offer people a vision of hope and mission.”
Max Stier, President and CEO, Partnership for Public Service
- “I try to share with staff things that I’ve learned from elders and other times in history when we have bounced back... A reminder that ‘this too shall pass’ is always grounding. Looking back in history and looking forward is really important when times are so tough.” *Marielena Hincapié, Executive Director, National Immigration Law Center*

Conveys steady calm

- “The interim CEO was steady, calm, no nonsense ... She was the right person to hold the ship steady.”
Jen Wei, Former COO, Techbridge Girls
- “Resiliency is about waking up every day and making a little bit of progress. No matter how big the mountain, all you can do is climb a little bit each day.” *Pam Iorio, President and CEO, Big Brothers Big Sisters of America*

Models transparency

- “I had to tell all our agencies ... we were in debt, there was hiatus of funding, we were going to have to reduce staff... The message was met with mixed responses. But transparency was key ... I also shared the story with major funders and was totally transparent. I said we’re going to get out of this. I laid out the plan... Every time I sat with a partner and told them the story, they all stuck with us.” *Pam Iorio, President and CEO, Big Brothers Big Sisters of America*

Is trusted and credible

- “We hired a leadership team who are all people of color. This has really helped and feels more aligned with the communities [we serve].” *Jen Wei, Former COO, Techbridge Girls*
- “There was very widespread and unified buy in about what we were moving toward. This was made possible in part because who Pat Kociolek [our executive director] was. He was a scientist who came up through the ranks. Some people would have been skeptical but weren’t because they trusted Pat.” *Stephanie Stone, Director of Communications and Content, California Academy of Sciences*

Seeks help and advice from close-in advisors and network connections

- “I allowed myself to be more vulnerable ... I said we’re in crisis and asked for help ... I relied on advice and support from my personal and professional network who wouldn’t let me fold.” *Jen Wei, Former COO, Techbridge Girls*
- “With this experience, I found it most helpful to be part of a field. Being part of the community foundation field was so practical and so supportive. It was easy to call the community foundations who had dealt in other disasters... There was also lots of outreach in our direction.” *Elizabeth Brown, President and CEO, Community Foundation Sonoma County*

Receives support from engaged board members

- “There were board members who came in not just with funding, but with time and with strategic planning. From the crisis came clarity.” *Suzanne McKechnie Klahr, Founder, BUILD*
- “We have a great board with great chair leadership ... they don’t micro manage ... they provide a good sounding board that is above the fray of the every day.” *Ashley Boren, Executive Director, Sustainable Conservation*
- “The board chair was the rock in all of this. She wanted to do everything according to best practice.... It was a small board. They were all committed to making it work and finding the right person to take it over.” *Jen Wei, Former COO, Techbridge Girls*

2. Long-term and adaptive planning

For many of the nonprofits interviewed, steering their organization through turbulent times hinged on the organization’s ability to envision and plan for multiple futures, engage a broad set of stakeholders in planning processes, and then stay true to a well-articulated set of strategic priorities while adapting to the shifting circumstances. Health Connected Executive Director Abi Karlin-Resnick reflected on what it’s like to manage through disruption without such handrails in place, “We need to take a deep breath and look around and do the strategy work.... We’re building the plane while we fly it. It’d be nice to land the plane and take a deep breath.”

Has foresight and the ability to “rehearse” different possible futures

- Executive Director of National Immigration Law Center Marielena Hincapié recalled, “In the summer of 2016, I was starting to see the writing on the wall and was really concerned. I was watching what was happening around the world – Brexit, the peace process in Colombia falling apart ... I wanted us to be prepared.” So, NILC staff did scenario planning for what a Trump administration would look like and what a Clinton administration would look like. Hincapié encouraged the team to have fun with it and role play: What laws would a Trump administration try to implement? What about a Clinton administration? Then, they used the scenarios to do the next step of preparation – identifying potential legal questions they’d need to act on, drafting fact sheets for the immigrant community concerned about their rights, and preparing a press statement and donor appeal so that they were ready to act immediately following the election.
- Within just a few days after KQED was the victim of a ransomware attack, staff had engaged the FBI, assessed the situation, decided to not pay the ransom, and put interim communications systems in place. According to KQED CAO Maria Miller, “It was really effective decision-making in the moment of triage across the organization.... We had recently done scenario planning here. We’re in earthquake country.... A lot of these forward-thinking things we had worked out before.”

Engages in inclusive and long-term planning processes

- “[Leadership] really involved a wide cross section of employees and community members in the planning process.... There was lots of room for people to feel involved in setting the agenda for the new building ... because one of the goals was to better highlight the science being done. All of our scientists were involved in designing the exhibitions.... The ability for the intellects across the organization to be deeply involved in setting the agenda was really important.” *Stephanie Stone, Director of Communications and Content, California Academy of Sciences*
- “We stepped back to ensure that while we continued to defend against the immediate threats that we also were planning for the long term. We soon realized that we also needed this long-term vision for the movement as a whole.... This led to an external process that we’re co-leading with 40 to 50 groups to develop a long-term vision and shared narrative for a more inclusive and just society.” *Marielena Hincapié, Executive Director, National Immigration Law Center*

- “From the beginning, the Partnership has focused on being strategic. . . . It was really good planning. . . . Everything we have been doing now has seeds in what we were doing earlier.” *Joel Fleishman, Board Member, Partnership for Public Service*

Stays true to strategic priorities – what the organization does and does NOT do

- “Our coalition had a meeting scheduled right after the election. We started off the meeting by reading the priorities that we had been working on for a while; our priorities were still the same. We didn’t change course . . . we changed our tone and we changed our messages.” *Sam Tucker, Director, Colorado River Sustainability Campaign*

3. Trust-based organizational culture

Interviewees spoke at length of intentional, inclusive, and trust-based organizational cultures that had been invested in and cultivated over time, as well as specific practices that helped staff remain healthy during periods of disruption.

Ensures organizational values infuse the work at all levels

- “We have a widely held set of core values that bring people together . . . everyone is here because they believe passionately in the mission of the institution. . . . It’s a place that celebrates diversity, discovery, and constant learning. . . . Values are prominent during our hiring process, and we revisit our core values during the planning process every year.” *Stephanie Stone, Director of Communications and Content, California Academy of Sciences*
- “We have been big on organizational values. . . . We rely on the values when knotty issues come up. We engage staff in being part of a conversation [inviting them to express] how they see these values in action.” *Pamela Sergio, Director of HR and Administration, Sustainable Conservation*
- Reflecting on the divisions that the Boy Scouts of America weathered related to LGBTQ inclusion, Chief Scout Executive Mike Surbaugh discussed the power of the Scout Oath and Law: “These are values that have never changed. The Scout Oath and Law are not gender specific and don’t speak to [these divisions]. They speak to what they can do for kids. . . . You can always draw people back when you [remind them that] we have underlying values that connect us and that we truly believe they change kids.”

Practices consistent communications and provides multiple channels for staff to voice feedback

- “I can’t emphasize enough the importance of consistency with communications – internally as well as externally. This has made a real difference. It pairs with transparency and it builds trust. When you have trust you have resilience. Communications is not just what you say, it’s how you listen.” *Pamela Sergio, Director of HR and Administration, Sustainable Conservation*
- “The annual employee survey is often rough . . . no matter what you do someone will be unhappy and you have to listen to it. You have to accept what’s there and figure out what to do about it. We take out comments about individuals, except those about me, and share the results with all staff.” *Max Stier, President and CEO, Partnership for Public Service*

Supports staff in anticipating, making sense of, and embracing change

- “People have different levels of tolerance for change. We did some sessions about the change cycle and understanding where you are. It was helpful to put some language around what people were experiencing.” *Pamela Sergio, Director of HR and Administration, Sustainable Conservation*
- “We had to chart our own path . . . there has to be a level of flexibility and agility [among staff] . . . we set this groundwork with our staff and our management. We communicated ‘this is an exciting time’ . . . it’s what we’ve been fighting for and we don’t have it all figured out.” *Liz Bender, Chief Finance and Growth Officer, First Place for Youth*

- As part of the Partnership for Public Service's organizational restructure process, Executive Vice President Meroe Park uses periodic anonymous pulse surveys to get a quick read on how staff are feeling about the process. This is in addition to town hall staff conversations and ongoing one-on-one conversations to inform and support the restructuring.

Builds deep commitment among staff and a willingness to step up in turbulent times

- "In a dream, I was driving a car and it was going to crash ... the car suddenly went into a big lake and I got free and swam. I swam freely. This was how I approached my work ... the proverbial 'go with the flow.' You have to have the mindset that crazy things are going to come at you and you're going to have to learn how to navigate in a new way ... you figure out how to flow through it in as streamlined and graceful a way as you can." *Marisa Aguayo, Senior Officer, Institutional Giving, National Immigration Law Center*
- "Accountability is a shared and powerful motivator in the Technology Division at KQED, and we are fortunate enough to have some very talented engineers on the team who were indispensable in the recovery efforts. Without these individuals, and the support of the whole team, the process would have taken much longer and cost significantly more." *John Reilly, Executive Director of IT, KQED*
- "Having staff who are really up for challenges and want to be part of something exciting ... this makes a huge difference.... The pride in their work and their understanding of not just the technical aspects, but what this means systemically." *Liz Bender, Chief Finance and Growth Officer, First Place for Youth*
- "[It is important to] make sure that within the organization there are people who are able to stay focused on where we want to go and push through the obstacles that may arise." *Sarah Rose, Executive Director, Audubon California*

Invests in individual and organizational well-being before burnout sets in

- "We have invested more around wellness ... encouraging people to take their vacation days and understanding that we're all in this together. The natural state is to live and breathe our work.... In some ways, it feels really natural to be over-extending.... We feel like we can't sacrifice a minute." *Mark Wier, Chief Development Officer, ACLU*
- For the National Immigration Law Center, supporting the well-being of the team has been critical for addressing the trauma of the moment and maintaining momentum in the fight for immigrant justice. As Executive Director Marielena Hincapié shared, "We have a lot of immigrants on staff who are being directly impacted. We had someone on our team who had a cousin who was blocked from coming in. We have a number of staff with undocumented family members or who have [Deferred Action for Childhood Arrivals] DACA. I had a brother who was denied citizenship. It was deeply personal. We started creating spaces [for staff] to talk about it and express what they [were] feeling."

What's next?

This brief offers preliminary observations on what it takes for social impact organizations to weather internal and external disruptions. It is based on research that, by design, was broad and exploratory with the intent of pointing toward more focused lines of inquiry for the future. In the coming months, we will be taking a closer look at the qualities underlying the three core resiliency characteristics, examining what resiliency looks like for nonprofits of different sizes and types (e.g., direct service, advocacy, infrastructure), and exploring the ways in which funders can help cultivate nonprofit resiliency. In doing so, we hope to be able to draw a better-informed set of conclusions about nonprofit resiliency while sparking new possibilities for strengthening capacity-building funding practices.

Acknowledgements

INTERVIEWEES

Marisa Aguayo

Senior Officer, Institutional Giving, National Immigration Law Center

Liz Bender

Chief Finance and Growth Officer, First Place for Youth

Ashley Boren

Executive Director, Sustainable Conservation

Elizabeth Brown

President and CEO, Community Foundation Sonoma County

Claudia Campazzo

Managing Director, San Francisco Classical Voice

Christine Carroll

Vice President of Development, Partnership for Public Service

Adela de la Torre

Communications Director, National Immigration Law Center

Joel Fleishman

Board Member, Partnership for Public Service

Karen Goldman

Director of Foundation Relations, ACLU

Meghan Hertel

Director of Land & Water Conservation, Audubon California

Marielena Hincapié

Executive Director, National Immigration Law Center

Pam Iorio

President and CEO, Big Brothers Big Sisters of America

Abi Karlin-Resnick

Executive Director, Health Connected

Dan Mansergh

CTO, KQED

Suzanne McKechnie Klahr

Founder, BUILD

Meroe Park

Executive Vice President, Partnership for Public Service

Gaylon Parsons

Deputy Director, Audubon California

Sarah Rose

Executive Director, Audubon California

Pamela Sergio

Director of HR and Administration, Sustainable Conservation

Max Stier

President and CEO, Partnership for Public Service

Stephanie Stone

Director of Communications and Content, California Academy of Sciences

Mike Surbaugh

Chief Scout Executive, Boy Scouts of America

Thomas Tighe

President and CEO, Direct Relief

Sam Tucker

Director, Colorado River Sustainability Campaign

Parker Thomas

Board Member, Community Science Workshop Network

Jen Wei

Hewlett Foundation (Former COO, Techbridge Girls)

Jerry Valadez

CEO, Community Science Workshop Network

Mark Wier

Chief Development Officer, ACLU

RESILIENCY STUDY STEERING COMMITTEE MEMBERS

Marselle Alexander-Ozinskas

Program Officer, S. D. Bechtel, Jr. Foundation

Sam Cobbs

President, Tipping Point

Victoria Dunning

Program Officer, BUILD, Ford Foundation

Barbara Kibbe

Director, S. D. Bechtel, Jr. Foundation

Matthew La Rocque

Senior Associate, S. D. Bechtel, Jr. Foundation

Ashleigh Halverstadt

Evaluation and Learning Officer, S. D. Bechtel, Jr. Foundation

Ruth Norris

Advisor

Bob Tobin

Senior Consultant and President, Williams Group

Jen Wei

Organizational Effectiveness Officer, Hewlett Foundation

DIANA SCEARCE

Diana is an independent consultant who has dedicated her career to helping social changemakers increase effectiveness and impact, in the U.S. and around the world. Diana's consulting practice focuses on strategy, learning, and collaboration. Her prior positions include director of learning and evaluation at the Skoll Global Threats Fund, director of evaluation and learning at the David and Lucile Packard Foundation, and director at the Monitor Institute.

A VISION FOR CALIFORNIA

The S. D. Bechtel, Jr. Foundation and the Stephen Bechtel Fund envision a productive, vibrant, and sustainable California that is a model of success and a source of innovation.

A COMMITMENT TO NOW

California faces many critical challenges, which require resources and imaginative solutions.

In response to this reality, the Board of Directors decided to invest all the Foundation's assets by 2020. This decision reflects a commitment to identifying lasting solutions for education and the environment sooner, rather than later. The Foundation also invests in building the capacity and resiliency of grantee organizations to leave them positioned to carry on the work of furthering a successful California for decades to come.

Send comments or questions to effectiveness@sdbjrfoundation.org.

P.O. Box 193809
San Francisco, CA 94119-3809

(415) 284-8675

www.sdbjrfoundation.org