S. D. BECHTEL, JR. FOUNDATION
STEPHEN BECHTEL FUND

A RESILIENCY CASE STUDY: PARTNERSHIP FOR PUBLIC SERVICE

Keeping People and Culture at the Center in Turbulent Times

The Partnership for Public Service is a nonpartisan nonprofit working to make the federal government more effective and efficient. Like many nonprofits, the story of the Partnership's resiliency is one of bouncing back from multiple disruptions: The organization has reshaped its funding model after losing its key donor, adapted to changes in federal government brought about by each new president's administration, and, most recently, weathered the longest government shutdown in our nation's history.

Weathering a loss

The Partnership was founded in 2001 with generous funding from Samuel J. and Ronnie F. Heyman that covered nearly all operating costs in the early years. Over time, funding sources became more diversified, including initial efforts to develop a fee-for-service revenue stream, significant programmatic support from large foundations, and a few corporate sponsors, as well as individual donors. However, the Heymans' consistent, predictable, and sizable unrestricted support was central to the Partnership's financial health.

Organizational snapshot

- *Year founded:* ***2001***
- *Annual budget (2018):* ***$16.4 million***
- *Number of employees (2018):* ***86***
- *Geography served:* ***United States***
- *Nature of disruption:* ***Sudden decline of funding, industry disruption***

In 2009, Samuel Heyman suddenly passed away. The loss of the Partnership's most generous donor, champion, and board chair was deeply sad and destabilizing. His passing pushed the organization to step back, clarify priorities, align cost centers with these priorities, and accelerate efforts to diversify funding streams. As Vice President of Development Christine Carroll said, "[A significant decline in the Heymans' funding] helped us take a critical look at what we were doing and how those things actually advanced our mission."

Evolving the funding model

In 2010, the Partnership engaged in their first comprehensive strategic planning effort. As part of this process, Carroll and her team conducted a detailed review of the Partnership's brand and assets, which resulted in updating the value of and pricing for sponsored programs, as well as an opportunity to build more sustainable streams of philanthropic revenue. According to Carroll, "There was a culture shift in the organization. As the fundraiser, I had to say, 'You can't just do whatever you want to do. You have to make a case for what you're doing and how it has impact and brings value back to the funder.' It really forced the staff to think differently about their work … and to become active fundraisers."

In addition to the heightened rigor around planning, prioritization, and pricing, communicating and reinforcing the importance of the new approach was critical to making the cultural shift stick among staff members. The fundraising team wasn't alone in maintaining this focus; the approach was also owned and consistently communicated by President and CEO Max Stier and the entire leadership team.

Around the same time, the Partnership pursued avenues through which the government could have a greater stake in programs and services offered by the organization. As part of a merger with another nonprofit, the Partnership acquired a government leadership development program and converted some of its own foundation-funded programs into successful fee-for-service offerings. Since 2009, government funding has more than doubled from 23% to now comprise just over 50% of the Partnership's total revenue. Over the same time period, the organization's revenue grew from $10 million to $16.4 million.

Today, the Partnership is still exposed to possible financial shocks. Most notable are the uncertainty of the federal budget and the potential for government shutdowns. However, the Partnership has a sizable endowment in place, and it is building support from individuals and through multi-year unrestricted support from leading foundations.

> ***"… An organization is about people, and people will perform better if they are in an environment that is supported and grown."***
>
> *– Max Stier, President and CEO*

Upholding the mission

More recently, the organization is adapting to working with federal agencies under the Trump administration. With each new administration, the Partnership must tailor its approach in response to the administration's priorities and the working style of its "new client." As a fiercely nonpartisan organization, the Partnership is well positioned to shift tactics in service of an unwavering commitment to making government better.

The advent of the Trump administration required a certain kind of resiliency and adaptation. The Partnership stepped up efforts to build trusting relationships with key administration officials and leveraged expertise to inform its positions on an array of management reforms and proposals. As a result, the organization saw many of its longstanding recommendations on the federal workforce, IT modernization, and data and transparency included in President Trump's management agenda. The Partnership continues to offer its support and assistance to ensure the effective implementation of certain proposals.

The administration's focus on dramatically reducing the size and role of the federal government led to deep questioning among Partnership staff about their mission to make government better. Staff members openly wondered whether they could or should strive to support government leaders who may not believe in this mission. Stier, who has served as CEO since the Partnership's founding, responded by helping staff "digest their feelings and see why our work was even more important than before." In Stier's words, "I believe in common ownership of the organization. The more I don't do, the better, in general. This was an instance where I felt that this was my job – to offer people a vision of hope and mission."

Creating a great place to work

Stier is not one to hide the complexity of the moment from his team. That said, in times of unusual turbulence, Stier believes it is important to "offer a vision of hope, possibility, and purpose" that is motivating for staff. Stier believes that healthy enterprises "begin with a recognition that an organization is about people, and people will perform better if they are in an environment that is supported and grown." Stier commented, "I like nice environments. I believe you get more from the honey than the vinegar … I hire people based on their capabilities and their commitment to that kind of culture."

Alongside leadership commitment and staff fit, the Partnership emphasizes several specific practices that make the organization a great place to work:

- **Annual staff survey.** Leadership shares and discusses full results with staff. According to Stier, "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 do about it. We take out comments about individuals, except those about me, and share the results with all staff."
- **"Stay" interviews.** In addition to conducting traditional exit interviews, leadership regularly sits down with high-performing staff who aren't leaving and explores their perceptions of how things are going – including discussing who needs support to be successful, who are the organization's stars, what issues need more attention from leadership, etc.
- **"Max Unplugged."** Individuals submit questions anonymously or directly, and Stier periodically sits down with the entire staff to address the questions.
- **Pulse surveys.** As part of an organizational restructuring 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 discussions and ongoing one-on-one conversations to inform and support the restructuring.

In addition, the Partnership has pioneered the "Best Places to Work in the Federal Government" rankings. Rankings are calculated by overall employee engagement at federal agencies. The Partnership uses a similar process to quantify and track the satisfaction of its own staff as a critical measure of organizational effectiveness, which leadership upholds as especially important in the absence of financial outcomes. The Partnership's commitment to people and transparency are clear in the results. Last year, the organization's "Best Places to Work" score was 77 out of 100, 15 points higher than the government-wide benchmark and equal to the private sector benchmark on the same measure.

The above channels of input and engagement appear to be contributing to a healthy place to work. In addition to the positive and productive culture, Stier's steady and collaborative leadership has, no doubt, played an important role in the organization's ability to bounce back in times of turbulence. Reflecting on the Partnership's resiliency, Park commented, "It's our people and this starts with Max. We cannot undervalue the impact of a single individual, especially when you have a small organization."

The S. D. Bechtel, Jr. Foundation commissioned consultant Diana Scearce to explore what it takes to cultivate nonprofit resiliency. The inquiry yielded a series of resources, including an overview describing preliminary observations and case studies examining the ways nonprofits weather disruptions. A second phase of research is underway, which will include the development of additional case studies.

See the full series online at sdbjrfoundation.org/effectiveness/resiliency