

CASE STUDY

CLINTON GLOBAL INITIATIVE

LRN: Establishing a Practice Forum for Principled Leadership, Performance & Operations



COMPANY PROFILE



PARTNERSHIP: POPULATION SERVICES INTERNATIONAL & NETWORK FOR TEACHING ENTREPRENEURSHIP

SIZE OF COMMITMENT: \$1.5 MILLION, 2 YEARS

GEOGRAPHIC SCOPE: GLOBAL

OBJECTIVE: LRN committed to extend its ongoing mission of helping institutions around the world answer the HOW question. By selecting two non-profits to join its Practice Forum initiative, LRN provided these organizations with the education, mentoring, and tools needed to develop a more values-based and principled approach to leadership, governance, and culture.

PROGRESS UPDATE: To date, LRN has worked with both Practice Forum members to strengthen and advance HOW they behave, lead, govern, operate, consume, engender trust in their relationships, and relate to others, helping each build out programs that meet their specific needs. Opportunities for growth and development are being addressed by distinct working groups and initiatives in each organization with the endorsement and leadership of senior staff and CEOs.

“PSI’s work with LRN has been eyeopening, provocative and action-forcing... We CAN get a lot better at driving our outcomes higher, and I think we are just at the start of an LRN inspired journey.”

— KARL HOFMANN

Our world is growing more connected than ever before, and the landscape for all organizations and leaders is changing. Financial cycles are less predictable. Sources of capital and revenue are shifting. It has become easier to replicate the competition’s output and approach. Technology and social media allow a whole ecosystem of players to see deeply into organizations of all kinds, making it critical for leaders to put renewed focus on how they and their people behave both internally and externally. The way they build relationships with colleagues and external partners, the way they treat people, how they get things done, how they operate, govern, and thing that others cannot copy.

Indeed, we are more than connected or interconnected: today, we are morally interdependent upon one another. A pharmaceutical company’s decisions about which drug to produce next, how to price it and how to distribute it, has enormous impacts on health around the globe. As the Clinton Global Initiative’s work shows, it is becoming increasingly difficult to distinguish between codes of personal and professional morality, between for-profit and non-profit missions. This interdependence presents a great opportunity to fuse sectors, goals and initiatives that were once kept separate, but it also requires that we rethink how we interact, set goals, measure progress, and define significance.

Just like corporations, non-profit organizations are facing an array of new challenges resulting from our new interconnectedness and transparency:

- Civil unrest and political complexity can make some programs nearly impossible to maintain.
- Shrinking governmental aid pools and new priorities from the private sector demand new approaches to raising funds.
- Stakeholders call for a more complex approach to health and education, requiring non-profits to provide a spectrum of preventative and cultural interventions.
- Increased transparency and monitoring make non-profits accountable to a far broader audience.

While many non-profits have a well-defined mission and purpose, that is not sufficient to respond nimbly to these new dynamics. They need to rethink their missions, define their core organizational values, and then ensure the alignment of their leaders and employees across the globe.

LRN has worked for years with large corporations on moving culture, grounded in a mission and informed by a set of core values, to the center of their strategies. This work requires a deep, lasting commitment from company executives and employees—a true journey of significance that often lasts several years. After all, with the twists and turns that come in a more volatile climate and with a new emphasis on a mission informed by values, linear progress is not possible. Organizations must embrace this truth and learn to journey, to understand there will be ups and downs in their pursuit of a mission, to think long-term and push through downturns to reach higher goals by aligning every colleague around a set of core values.

In its commitment to the Clinton Global Initiative, LRN agreed to launch non-profit organizations on journeys to make culture a core part of their strategy for flourishing in the new dynamics of the 21st-century landscape. The CGI Practice Forum for Principled Leadership, Performance and Operations has worked with two unique non-profits for two years using culture as a strategy to address the challenges outlined above. This case study examines the value of that commitment, the lessons learned, and the path ahead.

“As we got into culture, improved communication and greater collaboration were two areas that I saw marked improvements most quickly. It became really clear that our team was eager to have more cross-functional projects. This had immediate benefits.”

— AMY ROSEN

ONE COMMITMENT, TWO DIFFERENT CULTURE JOURNEYS

Going on a culture journey requires deep commitment, so LRN chose its partners carefully. LRN CEO Dov Seidman and other company leaders met with potential partners to ensure they were ready to fully engage, analyze their cultures, and use that analysis to drive strategy.

Likewise, the partners considered deeply the opportunity as well as the commitment of time and energy. Population Services International (PSI) is laserfocused on its day-to-day work of saving lives—and its leaders wanted to ensure that taking the time to do organizational culture work would help them save more lives in the long run. Network for Teaching Entrepreneurship (NFTE) also wanted to make sure it was the right time to step back from daily demands and assess how it could better collaborate across teams and offices. After long conversations with Seidman, and after spending time with a leadership framework he developed to put values at the center of behavioral guidance to employees, both organizations made the commitment to launch culture journeys. Next, LRN customized its Governance, Culture and Leadership Assessment for each partner, revealing very specific strengths and opportunities for strategic work on values and behaviors at both PSI and NFTE. Finally, each organization worked with LRN to chart its own path forward to become more resilient.

“PSI’s work with LRN has been eye-opening, provocative and action-forcing. We are a large mission-driven NGO that works to save and improve lives, so how could any culture inquiries improve on that, we reasoned. Boy, were we wrong; Dov personally helped me see the way toward a different and more systematic approach to PSI’s culture. We CAN get a lot better at driving our outcomes higher, and I think we are just at the start of an LRN-inspired journey.” —Karl Hofmann



LRN’s methodology for the Governance, Culture and Leadership Assessment (GCLA) is based on almost 20 years of working with partners around the world. The GCLA combines the results of qualitative interviews, focus groups, online questionnaires, and other inputs to conduct an “MRI” of organizational culture. With the GCLA, LRN helps companies measure the behaviors that contribute to a healthy culture, such as collaboration, speaking up, and innovation.



PSI STRENGTHS:

- Highly mission-driven
- Strong focus on making an impact in the world
- Focused on creating long-term, sustainable impact
- Unusually concentrated on measuring the impact of their work
- High levels of employee engagement and passion

PSI CHALLENGES:

- Achieve greater collaboration across organizational boundaries
- Address the cultural factors limiting the capacity for operational innovation
- Provide greater clarity and consistency in governance and leadership
- Trust

POPULATION SERVICES INTERNATIONAL (PSI)

BACKGROUND

PSI is a global health organization with programs targeting malaria, child survival, HIV AIDS, tuberculosis, and reproductive health. Working in partnership within the public and private sectors while harnessing the power of the markets, PSI provides life-saving products, clinical services, and behavior change communications that empower the world's most vulnerable populations to lead healthier lives. They use innovative social marketing strategies to promote the sale and distribution of key health intervention products like condoms and mosquito nets.

With programs in more than 60 countries, PSI employs more than 250 individuals in the U.S., 150 overseas expatriates, and 8,500 local PSI employees.

CHALLENGES

As an exceptionally mission-driven organization, PSI maintains a strong focus on impact and passionate, purpose-driven employees who are committed to meeting the program's needs through dedication and performance. Impact assessment metrics are another key part of their efforts. Yet PSI's mission is consistently challenged as the non-profit sector faces changes to the environment in which it operates:

- Increased regulatory demands make it more challenging to operate globally
- Donor requirements have become more stringent and money is harder to allocate to operations
- There are fewer opportunities to amass its longtime impact measurement called Disability-Adjusted Life Years (DALYs)—the measurement used to determine the years of healthy life saved through initiatives such as malaria net distribution — because PSI has already successfully helped address this global crisis
- There is a mismatch between what sickens and kills poor and vulnerable PSI consumers, and what interventions or disease areas donors are willing to fund.

As LRN learned from the GCLA it conducted at PSI, a multicultural workforce and the changing non-profit environment translated into the broader scope of organizational challenges that PSI faced. In fact, LRN found that due to the decentralized global structure of the organization, meaningful peer-to-peer interaction was becoming increasingly difficult—ultimately affecting levels of collaboration and trust among employees. Therefore, people were communicating and operating in cultural normative silos when it came to important initiatives such as funding and demonstrating accountability to donors. Despite these findings, employees still wanted to come together and innovate.



For PSI, that meant opening the lines of communication across its 67 global field offices to enhance levels of trust and encourage more collaboration across cultures. The organization wanted to save more lives by innovating more often, trusting each other more, and better collaborating—but was unsure how to do that with teams, country offices, and headquarters focused on pushing the organization’s mission forward day to day. Given the global nature of PSI’s fundraising work, the organization also needed to reassess its compliance procedures.

CHARTING THE PATH FORWARD

Since the beginning of the CGI commitment, LRN has worked with PSI’s Learning and Performance team to draw on all levels of the organization to revise the mission statement and organizational values, as well as create an organizational vision statement and enhance the levels of trust and collaboration among the offices through inter-office activities and communications.

With increased transparency, rules, and complicated registration requirements, compliance for any organization can be a time-consuming, costly, bureaucratic nightmare. LRN has also worked with PSI to revisit its rules and procedures, outside of its contract compliance.

The LRN team developed resources for PSI to more rapidly comply with international legal and ethical standards. These have included online resources for PSI colleagues around the globe including articles, newsletters, presentations, and e-learning courses. LRN has included PSI in an important online forum of LRN’s private-sector client partners. PSI is also working with LRN to develop a targeted communications plan that will reach out to middle managers in key areas around the world that have a high risk of compliance issues. These valuesbased approaches to ethical decision making that comply with legal regulations will cascade throughout the organization with the help of these middle managers. Finally, LRN is working with PSI to develop a highly interactive online game with scenarios based on real-life cases that puts colleagues in the center of difficult ethical situations.



NETWORK FOR TEACHING ENTREPRENEURSHIP

NFTE STRENGTHS:

- Highly mission-driven
- Strong focus on transforming individuals and communities around the world
- Focused on building and maintaining positive relationships with the teaching community and its students

NFTE CHALLENGES:

- Achieve greater collaboration between HQ and program offices
- Inspire employees to innovate and provide opportunities to speak up
- Provide greater clarity and consistency on organizational values

NETWORK FOR TEACHING ENTREPRENEURSHIP (NFTE)

BACKGROUND

NFTE is an international organization that provides entrepreneurial training and educational programs to young people from low-income urban communities. Since 1987, NFTE has worked in association with public schools, community organizations, and universities such as Columbia University and University of Pennsylvania to inspire youth from low-income communities to recognize opportunity and plan for successful futures. The organization has worked with more than 500,000 young people, and currently has programs in 21 states and 14 countries across the globe.

CHALLENGES

As with most teachers or individuals working in education, employees at NFTE are inspired by the belief that every individual they help can make a difference. That belief continues to help them transform communities and economies around the world through education. But as NFTE expands its global operations, the organization continues to face problems common to others in the non-profit world, such as competition for charitable resources, an increased demand to deliver results, and developing a diverse array of revenue streams. In fact, it was NFTE's growing number of employees and these added pressures that catalyzed some of the unique behaviors revealed in LRN's GCLA.

The GCLA showed that NFTE experienced differing governance styles in its global headquarters and domestic program offices. While NFTE's headquarters was primarily operating in a command and control environment, relying on rules to drive short-term goals, its program offices were exhibiting some "us vs. them" behaviors. These behaviors were isolating teams from the headquarters, creating misalignment between colleagues across offices and contributing to lower levels of organizationwide trust, collaboration, and comfort speaking up about work-related issues.

CHARTING THE PATH FORWARD

In short order, LRN recommended that NFTE create organizational values in order to collaboratively re-align employees. Leaders also needed to search for new ways to enhance trust and provide opportunities for employees to speak up in order to improve the relationship between headquarters and program offices.

Since the beginning of the commitment, LRN has worked with NFTE to form a cross-functional Culture Working Group that meets regularly to discuss opportunities to embed and strengthen organizational culture. The group has worked with senior leaders at the organization to develop their "North Star" communications guidelines to explain NFTE's values for both internal and external audiences. The Culture Working Group has also implemented several leadership and coaching programs for colleagues across the organization and utilized LRN's multimedia educational resources to help employees build awareness around the roles trust and values play in building healthy, speak-up cultures.



THE VALUE OF COMMITTING:

WAYNE BRODY, A SENIOR LEADER AT LRN

LRN's work with the Clinton Wayne Brody to join the company in 2011. Although the commitment was made before he began with the firm, Brody knew that by applying LRN's experience working with Fortune 500s to the non-profit sector, his team could ultimately have a tremendous impact that connects to LRN's mission of inspiring principled performance.

"If we make these non-profits even a smidge better in the way they operate, then we have the potential to save lives," he said.

Brody explained that LRN's involvement with the CGI commitment shed light on the strengths and limitations of the GCLA assessment itself.

LRN also learned that as an organization, you can still be profitable and "do good" in the world without being your best, but that if you take the time to fix the organizational obstacles, your impact can be more widely felt.

According to Brody, helping both PSI and NFTE "do what they do, but do it better, has been the best pitch" for other potential partners of LRN.

LESSONS LEARNED

Below are some of the lessons LRN, PSI, and NFTE have learned during the two-year commitment:



LESSON NO. 1: EXAMINE THE PAST TO PLAN FOR THE FUTURE

One of the biggest challenges many organizations face is how they can best evaluate their systems of governance, culture, and leadership. While many do not know where to begin, for both PSI and NFTE, skepticism of an evaluation's effectiveness, combined with a lack of resources, had prevented them from revamping their processes.

For LRN, persistence and transparency proved the best methods to overcome this initial resistance. LRN also provided proprietary research validating that organizations with values-based cultures experience profound advantages in the marketplace, including resilience, employee loyalty, customer satisfaction, innovation, and financial performance.

By educating colleagues about the value of the CGI commitment, PSI broke its own record for participation in an organization-wide survey—750 of its employees globally volunteered to help with the GCLA. NFTE had 100% participation.

"By participating in the assessment and presenting the results to key colleagues, NFTE is starting to experience some cultural shifts," said NFTE Vice President and Culture Working Group member Jane Walsh. "I can already see people framing their interactions in a different way. They're more comfortable mentioning to colleagues a behavior that they think could be more productive."

Whether through a formal GCLA process or through other conversations, workshops, and focus groups, understanding how things really get done (and fail to get done) in an organization is an important first step to, ward launching a culture journey. The assessment of governance, culture, and leadership can provide enhanced clarity of corporate values and key priorities, as well as a baseline to benchmark future results.



LESSON NO. 2: A COMMITMENT FROM THE TOP TO LISTEN CAN SPUR SPEAKING OUT AND INNOVATION BY EMPLOYEES

By publicly committing to culture work, and by inspiring employees to speak up about problems and new ideas, top executives have enormous impact on the success—or failure—of a culture journey.

“You don’t do any kind of work on culture without the CEO leading it,” said Steven Honeyman, Director of PSI’s Learning and Performance team. “It just won’t happen – people will ignore it. So this is fantastic that [LRN CEO] Dov [Seidman] lit the imagination of our CEO [Karl Hofmann], and he’s lighting the imagination of other people.”

“Buy-in from the top has had a downstream effect on our organization,” added Ben Rodriguez, NFTE’s Chief Operating Officer.

As a direct result of the firm’s ongoing conversations about culture, NFTE CEO Amy Rosen realized that she needed to communicate more frequently and effectively with her field offices across the globe. In 2012, along with NFTE Board of Directors Chair Maria Pinelli, Rosen began the NFTE Listening Tour. After visiting all 11 NFTE offices to listen to employees’ and local Advisory Board



THE VALUE OF COMMITTING:

JANE WALSH, VICE PRESIDENT OF CORPORATE AND
FOUNDER RELATIONS, NFTE

For Jane Walsh, having an opportunity through the Clinton Global Initiative to work with LRN has made a tremendous impact. Following LRN’s initial GCLA assessment, Walsh worked alongside other members of NFTE’s senior team to develop a game plan for the Working Culture Group. A number of culture-related projects are ongoing initiatives, but the effects of working with LRN can already be felt company-wide.

“[LRN] offered us a framework to work with,” she says. “And by reaching out to people to get involved it’s created an open door environment at NFTE where it’s OK to be honest in a constructive way.”

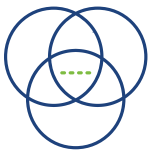
Walsh adds that NFTE’s involvement with LRN has opened the organization’s eyes to the commitment needed to enhance and drive culture, and that it is more than simply checking boxes.

Her advice for future CGI Practice Forum partners: “If you get a chance to focus on culture—do it.”

leaders' concerns, challenges, and successes, Rosen reflected on her travels and has since focused on what's really driving engagement within the organization. This effort has opened lines of communications between headquarters and field employees, fostering a culture of greater respect and collaboration.

"I've experienced an attitude of appreciation by employees that they work for an organization that listens to them," said Ben Rodriguez. "It's a great attitude and one I know will bode well for NFTE in the future."

Since the inception of the commitment with LRN, both PSI and NFTE have come to realize that speaking out should not happen in isolation; that it needs to be part of larger efforts to encourage openness and unleash creativity. NFTE, for example, has created its first Effort-Impact Matrix to help streamline workflows. When employees have a creative idea for a program or product, the matrix guides them through a thought process to build a plan that is most impactful for the organization. It also provides recommendations for senior leaders' next steps.



LESSON NO. 3: ESTABLISHING A CROSS-FUNCTIONAL TEAM CAN HELP EMBED CULTURE

Trust, shared values, and a deep understanding of a purpose-inspired mission are the three fundamental enablers of self-governing behaviors that produce competitive advantage and principled performance, according to LRN's research. Alongside organizational leaders, cross-functional culture teams can help embed a sense of purpose and shared values within an organization. Other behaviors such as effective collaboration and information sharing are often directly associated with the work cross-functional teams do on a regular basis.



Following their GCLA assessments, PSI and NFTE each quickly established internal teams dedicated to moving their culture-focused initiatives forward. Meeting regularly, each of these teams has faced its own set of obstacles over the two-year span.

Due to their disparate offices throughout the developing world, as well as the independent, fast-paced nature of their work, PSI was presented with a unique challenge. Over the course of the last decade, the organization had expanded global operations, yet their mission and values statements had not been reviewed or updated to better reflect the changes in the international development field. Alongside PSI's cross-functional Learning and Performance team, LRN helped complete the long-overdue process to reunite offices through their mission and values statements. The PSI Global and Internal Audit team also amplified efforts to communicate more freely between its global offices by creating teams across offices to collaborate on culture initiatives. For example, the team focused on ethics and compliance created a working group of middle managers from across the globe to help enumerate challenges they face so that the Audit team could better respond.

In addition to a revision of their mission and values guidelines, which NFTE named “North Star,” the Working Culture Group also faced the challenge of convening its employees. For the team, the solution was to plan a company-wide retreat that gathered individuals across the globe. The intention was to increase awareness and communication among people that might typically not interact with one another frequently or at all.

“The retreat has been a highlight for us,” said Ben Rodriguez. “Beyond the listening and feedback sessions—the whole retreat was a coming together of all our values.”

In an effort to get people to reflect on the organization's values, NFTE leaders asked the Working Culture Group to develop some very specific scenarios that employees could act through at the retreat. “And what happened was extremely eye opening. People walked away with a sense of self-awareness that we never saw before,” he added.



LESSON NO. 4: CREATIVE POINTS OF CONNECTION CAN INSPIRE GLOBAL COLLABORATION

“We found that sometimes it’s hard to really explain culture at your local office if you haven’t experienced it firsthand,” –Ben Rodriguez.

Aware of the challenges associated with cross-functional communications, LRN developed a core set of engaging learning materials that NFTE and PSI used to inspire conversation and collaboration. PSI is also experimenting with creative ideas, like posting thought-provoking articles on Socialcast (its internal social network), and even planning an “Integrity Film Festival” for its global retreat next year.

NFTE and PSI know that technology has the power to bring people closer together.

“There are higher feelings of trust with people that are [physically] closer to you,” he added. “We have the challenge of geography, but we need [our employees] to be able to speak freely. We’ve begun to think about ways to bring [our offices] closer by utilizing video and other types of technology.”



LESSON NO. 5: GO DEEP, NOT WIDE

LRN has always eschewed the question “how much?” when mapping out goals for their clients—focusing instead on HOW they do business. Having worked with more than 700 corporate entities over its 20-year history, LRN crafted its initial plan to work with three to five non-profit partners on the development of their leadership, governance, and culture efforts. LRN committed to a deep engagement with each partner that would truly launch them on a journey of significance. When that meant more extensive scoping and analysis was needed before LRN could work with each partner to define and implement their culture work, LRN went back to the drawing board to revise a commitment and plan, concentrating resources on two partners, rather than spreading them less effectively across more. The end result was a strong foundation from which PSI and NFTE can continue their culture journeys.

THE JOURNEY CONTINUES

One key element to culture work is to inspire partners to make this work a strategic priority throughout the life of the organization, even once the CGI commitment is concluded. LRN is working with PSI and NFTE to develop processes that will continue and even expand their culture work independently. NFTE CEO Amy Rosen’s reflection on her organization’s progress shows it can be of long-term strategic value.

“I was quick to say ‘yes’ to the opportunity to work with LRN and have the entire organization do a deep dive into how we can make our culture better. At every stage of the work, we have kept a theme of what is in the best interest of serving youth from low-income communities most effectively. All of us at NFTE are incredibly passionate about our mission, but sometimes perhaps too focused on our individual day-to-day work. As we got into culture, improved communication and greater collaboration were two areas that I saw marked improvements most quickly. It became really clear that our team was eager to have more cross-functional projects. This had immediate benefits. With more than 30% of staff new to NFTE over the past 12 months the culture projects gave the team more ways to get to know each other that might not have otherwise happened.” —Amy Rosen

Whether because of new staff, additional changes to the nonprofit landscape, or other unanticipated challenges, the journey of organizational culture is unpredictable and ongoing. LRN has now given PSI and NFTE the tools to keep moving along their journeys of significance, and looks forward to seeing these organizations use them to scale new heights.

ABOUT LRN

LRN offers education, tools, and advisory services to help organizations develop values-based cultures and leadership, strengthen ethics and compliance efforts, and inspire principled performance. Founded in 1994, LRN is a global company that has educated more than 20 million employees and has worked with more than 700 companies in 100 countries worldwide.

LRN’s work is grounded in HOW®, a philosophical framework for individual and organizational behavior in a world that is increasingly complex and interdependent.

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