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ENSURING AVAILABILITY AND SUSTAINABLE MANAGEMENT  
OF WATER AND SANITATION FOR ALL

### **Build vs. Buy, a case for both: hiring and growing transformational leaders in WASH**

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*Informed by the authors' experiences and the latest research on leadership, management, and social innovation, this paper discusses success factors and constraints facing leadership in the development space. Specifically, issues around hiring, professional development, and growth are explored. The authors recommend three areas of investment for leadership development in WASH: hire competitively and invest in market-savvy people; invest in building a pipeline of talent and long-term growth of leaders; foster a nurturing environment for making and collaborating.*

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#### **Introduction**

The WASH sector as a whole has set ambitious goals for itself in the coming years. Achieving these goals will require exceptional individual leaders who can drive change using the resources and knowledge contained in the hundreds of WASH organizations around the world. This paper relies on the authors' personal experiences in the WASH sector and the latest research on organizational leadership to prioritize three areas of investment for developing effective leaders:

- Hire competitively and invest in market-savvy people.
- Build a pipeline of talent and set up structures that promote continual growth among your leaders.
- Foster a nurturing environment for making and collaborating.

#### **Methods and perspectives**

The authors of this paper, two young women from different corners of the earth – one UK-born of Ghanaian descent, and the other Chinese-born and American-raised – are, by all accounts, improbable faces of WASH leadership. In joking around about what our families think we do, it became quite apparent that the concept of “developing markets for water and sanitation” does not easily translate into Ghanaian or Chinese culture. In fact, though, developing markets for water and sanitation is exactly what we do as part of the WASH team at iDE. For over 30 years, iDE has taken a market-based approach to solving intractable problems in Latin America, Asia, and Africa; in the WASH context, this means working with consumers, producers, and distributors to develop demand for and supply of products that move the needle on clean water and sanitation. Our experiences as leaders within iDE, and within the WASH sector in general, have informed our view of the current state of WASH leadership. We pull on these perspectives, as well as insights from recent research on leadership development, to outline a plan for attracting and building leaders of the calibre required to move the sector forward.

#### **Hiring: The most important decision any organization makes**

Harvard Business Review estimates that 80% of turnover is caused by bad hiring decisions (Yager 2012). Other sources estimate that it can cost anywhere from 90% to 200% of a bad hire's annual salary to replace him or her, and that those costs increase the higher up in the organization they are and the longer they stay (Cascio 2006; Mitchell 2011).

These statistics are alarming but say nothing new about what most managers intuitively understand to be true. Great hires rarely need to be “managed” or “developed.” They are self-driven to deliver, grow, and execute in a way that brings people and organizations together. Make a bad hire and the manager, the team, and the organization will suffer for months or years, and lose thousands of man-hours going through the laborious process of managing and coaching a marginal or toxic employee.

With this as a backdrop, we advocate for two strategies that we believe are relevant for the current state of the WASH sector. First, invest in recruiting talent with business acumen and, second, incentivize potential leaders competitively, taking as a reference their true opportunity costs, and not just prevailing wages in the nonprofit labor market.

### **Invest in market-savvy people**

Traditionally, WASH development interventions have addressed one of three aspects of the problem: technical, social, or economic. The diagnosis of the problem informs the prescription, in this case, the type of skillset recruited to solve the problem. If the problem is technical, engineers are called upon to create a more technically efficient solution; if the problem is social, psychologists, sociologists, and anthropologists are leveraged to identify triggers of behavior change; if the problem is economic, economists are brought in to develop more efficient systems of resource allocation.

iDE believes that addressing all three aspects is necessary for a sustainable systems-based solution. In fact, as the WASH sector embraces more market-driven approaches and private sector engagement, it makes sense to further invest in individuals with business and economic acumen. As an example, iDE is often approached to provide technical support to other programs on WASH market development. However, one of the biggest challenges we face is the fundamental difference in professional backgrounds with other organizations staffed with health and engineering experts. Although business is not rocket science, it becomes challenging to go in depth on marketing matters when there is not a shared language around profit, risk, and competition. If an organization is to become serious about being market-based, there also needs to be a serious investment in market-savvy people. Of the executive leadership in iDE’s WASH programs, over 80% have a business and/or economics background, with the rest from more technical WASH and international development backgrounds such as engineering, agronomy, and water resource management.

### **Attracting talent and hiring to match your modality of change**

In one of the most popular TED Talks on social innovation, Dan Pallotta calls out five types of discrimination that society places on the non-profit sector as compared with the for-profit sector, the first being compensation:

*In the for-profit sector, the more value you produce, the more money you can make. But we don't like nonprofits to use money to incentivize people to produce more in social service. We have a visceral reaction to the idea that anyone would make very much money helping other people. Interestingly, we don't have a visceral reaction to the notion that people would make a lot of money not helping other people. You know, you want to make 50 million dollars selling violent video games to kids, go for it. We'll put you on the cover of Wired magazine. But you want to make half a million dollars trying to cure kids of malaria, and you're considered a parasite yourself. (Pallotta 2013)*

Arguably, to solve some of the most intractable problems of the world, we cannot afford to *not* attract the best and the brightest. Being able to compete in the labor market for the best and the brightest is a critical issue for most nonprofits, and finding effective incentives to attract talent can be a make-or-break proposition. iDE has found success by focusing on professional development, in recognition of the wider financial and non-financial benefits that accrue on the rest of the organization from investing in high potential individuals.

Social enterprises are perhaps most exposed to the challenges associated with luring talent, as CEOs are expected to have the skills and talent to run a business and live up to expectations of demonstrating profitability (arguably in less marketable spaces and shorter time frames) – all without the incentives offered in a typical start-up environment, namely equity. This scenario, argue Eikenberry and Kluver, becomes a barrier to hiring talented people, as the opportunity for potential leaders to financially gain from the successes of the business is limited (Eikenberry 2004). Some social enterprises that are not able to offer equity are experimenting with results-based incentives, which can help attract people who could otherwise excel in more lucrative businesses to instead pursue social entrepreneurship.

## A “growth” mindset for leadership

Psychologist Carol Dweck studies implicit theories of intelligence, and has argued that people fall on a continuum according to their beliefs about where their ability comes from (Dweck 2006). A “fixed mindset” assumes that our character, intelligence, and creative ability are static givens that we cannot change in any meaningful way; success is the affirmation of that inherent intelligence. A “growth mindset,” on the other hand, thrives on challenge and sees failure not as evidence of unintelligence but as a springboard for growth. A “growth mindset” creates a passion for learning rather than a hunger for approval. Its hallmark is the conviction that human qualities like intelligence and creativity, and even relational capacities like love and friendship, can be cultivated through effort and practice. Not only are people with this mindset not discouraged by failure, but they do not actually see themselves as failing in those situations. They see themselves as learning.

This framework is helpful in discussing the types of people an organization would find most relevant for the objectives and culture at hand. For organizations interested in making fast, expansive progress, which requires daring leaps in innovation, failure needs to be embraced as part of the process. To make failure productive, a “growth mindset” is more conducive for exploiting learning opportunities. In contrast, a “fixed mindset” might be more appropriate for an organization primarily focused on refining and perfecting metrics of a fixed standard.

This difference in “fixed” or “growth” mindsets is another dimension of how an organization understands the difference between managers and leaders. Marketing guru Seth Godin argues that the two are acutely different. He says:

*There's practical everyday management, and then there's leadership. Leadership is not practical, and it's not everyday. You think you're being a leader, but you're probably being a manager. Managers figure out what they want done, and they get people to do it. Managers try to get people to do what they did yesterday, but a little faster, a little cheaper, with fewer defects. It probably has a place.*

*What's essential, what's not happening, is leadership: It's about finding the right people, agreeing where you want to go, and getting out of the way. Leadership means embracing the failure of your people if it leads to growth. Leadership means not knowing what's going to happen tomorrow; just knowing it's going to take you where you want to go. Managers want authority. Leaders take responsibility. We need both. But we have to be careful not to confuse them. And it helps to remember that leaders are scarce and thus more valuable. (Godin 2011)*

It is striking that the first thematic subject of the 2016 WEDC conference is “Leadership in WASH,” not “Management in WASH.” Against the two frameworks of “growth vs. fixed” and “leadership vs. management,” the WASH sector has the opportunity to make deliberate investments in the growth of leaders to maximize the potential for transformational impact. Following are three ideas for establishing a “growth” mindset among leaders and across the organization.

### Instigate ongoing professional development

One of the key factors of iDE’s success in our flagship Cambodia sanitation marketing program has to do with the professional development structure surrounding staff at all levels. With support from sales consultancy Whitten Roy Partnership (WRP), iDE has developed a multi-tiered cascading coaching structure, where staff at every level receive weekly coaching from their supervisor. Unlike an annual one-time training workshop, this coaching structure allows the individual to receive real-time feedback and a consistent touch point for focusing on growth areas. Using simple frameworks, WRP has also provided iDE with depersonalized language to discuss challenge areas that may otherwise go un-discussed until too late.

### Use incentives as a tool to unleash creativity and ownership

In addition to incentives for top level executives, iDE has also used incentives to staff down to the field level, especially those in sales-driven roles. With the right training and coaching support, incentives motivate staff to take ownership and increase their creativity in problem solving. Instead of having activities micromanaged, staff are given targets to hit, and also the (relative) freedom to figure out how to hit them. When structured appropriately, we have seen incentives drive ownership, creativity, and results.

## **Identify high-potential leaders and set up growth opportunities**

In our experience, iDE is always on the lookout for potential leaders. Just as importantly, executives are known for deliberately creating opportunities that would “fast-track” leaders’ growth by exposing them to situations that would gain them the necessary experiences and credibility to lead their own teams. This approach benefits both the organization—as developing leaders bring new perspectives and energy to various initiatives—and the leaders themselves. To be successful in this approach, established leaders must be comfortable with the risks inherent in entrusting important projects and initiatives to relatively new leaders. Consistent coaching and opportunities to connect with other leaders are two ways to mitigate this risk and ensure success.

## **Create space for leaders to flourish**

Finding and attracting the right leaders is only the first step to cultivating a leadership cadre in an individual organization and in the WASH sector more generally. Organizations must also find ways to capitalize on the strengths of their leaders, while also providing them with the time and resources they need to be successful. Below are two suggestions for helping leaders flourish.

### **Make time for “*Make Time*”**

Featured as one of the top 10 leadership stories of 2015 in *FastCo* is an email that a Google employee sent to the rest of his colleagues about time management. In this email, Jeremiah Dillon posed a simple time management challenge to his colleagues: to schedule and respect Make Time, during which the sole focus is on creating and building. He writes:

*Stop. Breathe. Now, think about how you’re managing your time. Speaking for myself, I have some room for improvement. It’s been said there are two paradigms to scheduling—[the manager and the maker](#).*

*The manager’s day is cut into 30-minute intervals, and they change what they’re doing every half hour. Sorta like Tetris—shifting blocks around and filling spaces. The maker’s day is different. They need to make, to create, to build. But, before that, they need to think. The most effective way for them to use time is in half-day or full-day blocks. Even a [single 30-minute meeting](#) in the middle of “Make Time” can be disruptive. We all need to be makers.* (Dillon 2015)

In our capacity as leaders (vs. managers), we have the responsibility to make and create, and not just to optimize or troubleshoot. To do so effectively, there needs to be dedicated time free from daily operational concerns that allows for this immersion in thought, experimentation, and tinkering. This should be embedded as part of an organization-wide attitude towards more effective time management, but organizations should also create regular group spaces for leaders to come together and reflect. iDE strives to embody these ideas in its culture on a day-to-day basis. In addition, at the country, portfolio, and global level, iDE holds workshops and retreats dedicated to having shared moments of reflection and creation.

### **Knowledge management for a collaborative leadership culture**

Leadership, at moments, can be solitary, especially in organizations that fall into silos. To maximize learning, to minimize repeated mistakes, and to build a strong culture of collaboration and camaraderie, iDE has invested in knowledge management and culture building. Knowledge management is a dedicated role on iDE’s Global WASH team, and one of the main goals of the knowledge management department is to facilitate direct relationships among our WASH leaders themselves. A WASH Program Director in Africa can relate to similar challenges of running a WASH Program in Asia.

However, this relationship and knowledge building effort is not limited to the “leaders.” In fact, knowledge management has succeeded if the culture of sharing and collaborating permeates every layer of the organization across different departments and geographies. Leaders who actively engage in collaborative knowledge management are much more likely to set examples for their staff, and to find ways to support their teams in similar engagements.

## **Conclusions and recommendations**

A critical part to achieving the ambitious goals that the WASH sector has set will be to invest in developing and nurturing transformative leaders. Research on leadership development provides a variety of approaches for this important work. Our own professional experience with iDE has shown that these strategies, when

implemented thoughtfully, can have a substantial impact on an organization. In particular, the authors recommend three key priority focus areas for leadership development:

- Hire the best and the brightest, and invest in market-savvy people.
- Invest in long-term growth through ongoing professional development; set up motivating incentive schemes; and deliberately build a pipeline and fast-track program for young leadership.
- Foster a nurturing environment that allows leaders to reflect and learn; respect Make Time; and invest in collaborative knowledge management.

As young women leaders working in development contexts often characterized by patriarchal social dynamics, the authors of the paper entreat the WASH sector to pay particular attention to creating an enabling environment for rising women leaders, local and international. Donors often recommend gender equitable staffing, but the reality of the field is that women rarely even apply for top leadership positions, and even for positions that are culturally appropriate gender-wise such as translation, women may still need their husband's explicit position to stay overnight, making long-distance travel more difficult. Fostering an environment where gender, age, and cultural dynamics are taken into account will be critical to the success of any contextualized leadership development efforts.

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