



Developing Human Capital:

Moving from Extraction to Reciprocity in Our Organizational Relationships

by Jeanne Bell

ENVIRONMENTALISTS AND SYSTEMS THINKERS underscore the fundamental distinction between extractive and interdependent modes of interacting with one another and the natural world. They warn us that the extractive economy we are attempting to sustain now is, by very definition of its continuous mining of natural and human resources, unsustainable. As the writer and farmer Wendell Berry has written:

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The expert assumption appears to be that the products of the soil are not included in the economy until after they have been taken at the lowest possible cost from those who did the actual work of production, at which time they enter the economy as raw materials for the food, fiber, timber, and lately the fuel industries. The result is inevitable: the industrial system is disconnected from, is unconcerned about, and takes no responsibility for, its natural and human sources. The further result is that these sources are not maintained but merely used and thus are made as exhaustible as the fossil fuels.¹

This ecological framework should give us pause as we consider notions of "human resource" and "human capital" in nonprofit organizations. In traditional business terms, a "resource" may be fully extractable, as Berry described, and "capital" may be under the full control of the corporation to expand its resource extraction as much as possible. These terms and their underlying belief systems, if left unchallenged, can lead us into dangerous waters if

we are committed to the social sector modeling inclusive and regenerative ways of being. In “Are humans resources?,” Kerr Inkson writes: “In common usage of the term, therefore, resources are passive objects to be utilized by superior agents.”² He counters by arguing, “It is not that individuals are resources, more that they possess resources, which they may or may not choose to share with the organization and develop within it.”³

In fact, many of us in the nonprofit sector aspire to make our organizations *more* human, *more* personally sustainable, and *more* conscious of the full humanity of the people with whom we work. For many of us this means revisiting, if not entirely revising, our approaches to “human resource management.” Moreover, many nonprofit organizations are interrogating their legacy theories of change, including programmatic assumptions and methodologies. This is taking a myriad of forms: exploring the real and perceived boundaries between social service and social change work; confronting the intersectional forces at play in traditionally siloed areas of expertise (e.g., environmentalism and racial justice); and unearthing the ways in which internal management practices do and do not reflect the vision of equity and justice we espouse externally, to name several.

These complementary aspirations—more-human organizations, and organizations whose work reflects an acute and strategic collective intelligence coupled with a rigorous social change analysis—should inform how we think about developing social, intellectual, and cultural capital in our organizations. Rather than conceiving of these forms of capital as something our organizations extract, we should think of them as precious resources to be shared and amplified across all of the organization’s relationships. We can think of this as shifting from an extraction to a reciprocity frame.

From Extraction to Reciprocity in Hiring and Staff Development

In hiring and staff development, the starting premise is that all staff positions have capacity to contribute to these forms of capital development,



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and that each potential candidate brings a unique existing set of relationships and competencies. Moreover, these relationships and competencies may derive from well beyond a staff member’s employment history to his or her lived experience and past and current volunteerism, board service, or activism. Further, staff will continue to nurture their forms of capital while working with a given organization and, obviously, beyond their tenure there, as well.

Recruitment

In the recruitment phase, don’t merely describe the work your organization needs done; instead, emphasize its commitment to being a learning organization, broadly defined. Peter Senge described a learning organization as one “where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.”⁴ No matter the position being announced, articulate the opportunities for engagement with peers in the development of all forms of capital. View your job announcement as sharing publicly a commitment to the ongoing learning and career development of every staff person in your organization. Imagine the well-qualified candidate choosing between two opportunities with the same title and compensation, but one organization effectively communicating that it honors and invests in the learning trajectory of every staff person. The choice will be straightforward.

Selection and Contracting

Since many organizations are actively working to diversify their staffs and build institutional knowledge and credibility in communities new to them, the risk of tokenization is very high in the selection and contracting process. As the attorney, activist, and coach Helen Kim Ho recently wrote in “8 Ways People of Color are Tokenized in Nonprofits”:

When done without awareness, those in power will only think to hire POC

professionals when it’s about race and diversity, while all other “non-racial” projects seem automatically better suited for your White colleagues. Minority professionals not only bring unique perspectives having lived and thrived in a country built on racism, but they also have exceptional skills in fundraising, strategic planning, marketing, facilitation, legal and more. Now that you know that POC professionals are doubly qualified, it’s time to stop tokenizing and reassess your hiring practices.⁵

Leaders, especially white leaders, need to build skill in talking openly and with humility about the social, intellectual, and cultural capital that their organizations seek to enrich through the hiring process. There is no way to become the deeply diverse organizations we need to become if we do not. We cannot be “color blind” in our hiring; that vestigial notion is a powerful hindrance to nonprofits becoming truly inclusive workplaces. The notion of reciprocity is paramount here. Our work is not merely to recruit and select diverse candidates, but to be all in for the work of becoming an organization where everyone’s full self is seen and valued.

Once a candidate is selected, the reciprocity frame on human capital is tailored to the unique individual who is joining forces with the organization. We shift from a hypothetical relationship to a very specific contracting process. Who is this person? What is she already in the midst of learning? What relationships and networks does she bring with her? What communities and cultural competencies can she introduce the organization to or deepen its understanding of? This frame challenges the uniform, job-description-driven onboarding processes that human resource functions have traditionally employed. In this frame, we are responding and adapting in each case to who the new hire is and where the organization is; we are seeking to marry their respective forms of capital with some intention, and, as Ruth McCambridge writes in the preceding article, to do so such that both parties “benefit optimally.” Practically speaking, this reciprocity could take

the form of the organization's supporting the new hire to continue with "outside" commitments that the organization had not anticipated during the recruitment phase, such as participation in networks or collaborative projects. Or, the new hire may agree to partner with the development team to increase the organization's access to donor relationships she maintains from other contexts.

Employment and Development

During employment, the key is to attend to the dynamism of both the employee's and the organization's ongoing development and deployment of social, intellectual, and cultural capital. This can be done at the individual, team, and organizational levels. In one-on-one supervision, the employee's learning and relationship development is nurtured in concert with the organization's strategic direction. But again, we should move past the overly employer-centric frame to a reciprocal one here. As Inkson writes: "If I am to contribute to the competitive advantage of my employing organization, I want to do so not as an asset invested in, but as an investor who actively chooses to do so for my own profit, intrinsic as well as material."⁶

In team development, team leaders can articulate the learning edge for their group and support team members in building intellectual capital together through reading and discussion, outside training, and perhaps most important, intentional experimentation and debriefing of lessons learned. Team meetings can alternate between an execution orientation and a learning orientation, to accommodate and prioritize group learning.

At the organizational level, we can apply network and network leadership theory to non-financial capital development. Network mapping is an example of a practical exercise that can help all staff and board to understand and thus better contribute to the social capital essential to the organization's relevance and impact. The exercise can also surface weaknesses to be addressed in the organization's network of relationships given its strategic direction. For accessible examples of how you might undertake

network mapping with your team or organization, see Beth Kanter's work, including "How Networked Nonprofits Visualize Their Networks."⁷

Separation

When an employee decides to leave the organization, the objective is a separation that acknowledges the stewardship of joint relationships, codeveloped content, and other forms of capital that have been intertwined during the employee's tenure. If the relationship has been a fruitful one, this may take considerable time to plan, and encompasses far more than what could be addressed in a traditional "exit interview." There should be reciprocity even in separation, in that both parties remain invested in each other's success, and that success is dependent on the continued valuation of the capital they codeveloped.

This approach to an employee and an organization codeveloping social, intellectual, and cultural capital does not only pertain to senior positions, nor only to programmatic ones. Younger staff bring these forms of capital, too. Consider their participation in community organizations and recent graduate work, for instance, or their access to or participation as younger activists trained in emergent forms of protest, or their deep comfort with using social media, just to name three examples. And, especially as we are in an era of reimagining organizations to be more human and more reflective of a rigorous social change analysis, the historically "internal" management spheres such as finance and, certainly, "human resources" are also equally critical seats of innovation.

Lastly, this reciprocal form of employee-organization human capital development makes an organization eminently more succession-ready at all key positions, including executive director. Perhaps the most common fear long-term executives have of leaving is that the more intangible ingredients of the organization's success—competencies, perspectives, relationships—will not be well understood or sufficiently transferred in their transition. When these forms of capital are explicitly and democratically developed across staff and board, the risks associated with executive transition are greatly reduced.

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From Extraction to Reciprocity in Board Recruitment and Development

Orienting recruitment and development of board members around social, intellectual, and cultural capital development gives us perhaps the most powerful answer yet to the age-old question, "What are my board members supposed to do besides raise money?" Just as with staff, we should not approach board recruitment and development as though board members are here simply to give the organization access to whom and what they know; rather, the organization should give board members access to whom and what *it* knows, too, based on their individual interests and passions. To be clear, this is not about facilitating board-member involvement in any and all organizational projects and relationships. The way forward has to be discussed openly and strategically with each board member. During recruitment conversations, we can use a line of inquiry like: "Our organization's top three learning edges right now are X, Y, and Z; do these issues energize you, too? If you were to join the board, are there people or networks or forms of knowledge you could introduce us to as we pursue these questions? And to whom and what might we introduce you?"

Just as with staff selection, the risk of tokenization in the selection of board candidates is very high in mainstream and primarily white organizations. BoardSource, the national board-focused, capacity-building organization, has been surveying boards vis-à-vis their diversity for over twenty years, and in its 2017 study, it found little to applaud:

The figures have improved little since BoardSource's first survey on the issue in 1994, and while 65 percent of CEOs and 41 percent of board chairs expressed dissatisfaction with the racial/ethnic diversity of their current boards, only 24 percent (CEOs) and 25 percent (board chairs) said demographics were a high priority in board recruitment.⁸

These numbers tell us that too many non-profit boards have homogenous forms of social,

intellectual, and cultural capital in the boardroom. This bodes terribly for the strategic relevance and impact of these boards as well as the organizations they govern. Thus, as with recruiting staff of color, organizations have to engage new board candidates openly and with humility about where the organization is in its work on racial equity, and be prepared to spend meaningful time in the boardroom engaging in honest conversation and group learning.

From Extraction to Reciprocity in Strategy Development

Organizational strategies are often crafted in disembodied language that doesn't conjure the web of relationships and competencies it will take to accomplish them. They read as though the "organization" is going to activate the strategy rather than a specific group of people in a specific time frame and operating context. What if, instead, we were explicit about the anticipated social, intellectual, and cultural capital requirements of each strategy? This exercise would entail an honest reflection on the organization's current, relevant, and available capital in each of these areas as well as those that will have to be developed for the strategy to fully mature. Briefly, what do we mean by *current*, *relevant*, and *available*?

- **Current:** We are being careful to consider who and what knowledge and networks are currently available rather than relying on historical assumptions. This factors in key staff or board members who may have left the organization recently, as well as any shifts in the organization's reputation or its standing in networks externally.
- **Relevant:** We are being careful to consider how up-to-date the organization's analysis, methodology, and overall theory of practice are.
- **Available:** We are being careful to consider the real capacity of the people in and around the organization. Very often, the most leading edge of our staff, board, and collaborators are in high demand and are overdeployed. This may be especially true for people of color in high demand in historically white-dominated organizations and networks.

MAKING HUMAN CAPITAL EXPLICIT IN ORGANIZATIONAL STRATEGY

Sample strategy: The Neighborhood Performing Arts Group will strengthen our surrounding community by engaging low-income and often marginalized local residents in art making.

Social capital requirements: Our senior staff have strong networks in the performing arts. They will build new relationships with their counterparts at human service organizations in our community who already have strong relationships with local residents. Our executive will join the neighborhood coalition addressing housing and gentrification issues in the neighborhood.

Intellectual capital requirements: Our staff are highly experienced in programming to “traditionally trained” artists. All program staff will receive training in working with all types of artists in community settings. We will form a learning and evaluation team that focuses on new methods and impact lessons from our art-making work with residents.

Cultural capital requirements: Our staff and board do not live in the immediate community, nor do they have lived experiences of poverty. We will focus our next rounds of staff and board recruitment on candidates who live and work in the neighborhood and have a personal connection to the history of the community. Further, we will institute quarterly staff field trips to local restaurants, artistic events, and other places of interest in the community.

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As whole fields and their respective funders explore new methods of contributing to positive social change, leaders have to exercise caution not to underestimate the real human capital requirements of these theoretically exciting shifts in strategy. An indicative example is the push over the last decade by arts organizations and their funders to play active roles in community development. For many arts organizations, this is a profound expansion of their founding purpose and, as such, demands a profound expansion of their social, intellectual, and cultural capital. Consider the evaluative conclusions of ArtPlace America, a decade-long, highly resourced initiative to fuel the collaboration of the arts sector with other sectors, such as housing and health:

Investing more than \$100 million in local practice through the National Creative Placemaking Fund and through Community Development Investments, we have come to realize that there is

certainly knowledge that can be gleaned at the national level and knowledge that is generally applicable when the arts and culture sector partners with other sectors. We’ve also learned that lasting change—to have these sorts of partnerships be standard operating practice and not just a grant-funded one-off—must happen on the local level, within an existing ecosystem. And for that change to take root on the local level, there must be local ownership of both the resources and the responsibility. To achieve that future, we are not continuing the National Creative Placemaking Fund and instead we will transfer funding in up to six geographies to strengthen the local ecosystems of creative placemaking.⁹

In other words, the human capital requirements of these largely unprecedented collaborations are necessarily local and, as such, relational and idiosyncratic. They can’t be accomplished in a “one-off” mind-set. It takes years and great

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intellectual commitment for arts organizations to build relationships with residents and businesses and city officials. It takes years to expand the competencies of staff and board beyond a traditional arts model to include human service program design, community development, attention to issues of gentrification, and government advocacy.

Finally, across all organizations and fields, leaders need to use caution with respect to human capital as they pursue strategies for growth. Growth often entails entering another geographic community, for instance, where the organization's staff and board may not have relationships or credibility. Investing the time to get to know the culture, dynamics, and existing leadership in a community *before* bringing programming to it is exercising reciprocity in strategy. This same idea applies if the growth is not geographic but rather expansion to a new population. Leaders should ask themselves: Do we have the social, intellectual, and cultural capital to work respectfully and effectively with this group? If not, how, specifically, will we invest our time and resources to build it with humility?

From Extraction to Reciprocity in Communications

A strong communications program is a natural lever for building and amplifying an organization's social and intellectual capital. We know from recent research that nonprofits are more likely than ever to have dedicated communications staff, which means that establishing a consistent, reciprocal approach to communications strategy is more possible today. According to research by Kivi Leroux Miller in 2016:

In each size category the number of people devoted to communication is larger than was the case several years back. In fact, in previous years having a full-time communications person for a charity with one million or less in annual budget would be considered a luxury. Now it is commonplace, as indicated in the report.¹⁰

Your staff and board members can share what they are learning through blogging, social

media, and long-form reports and publications. As important, you can apply principles of reciprocity by lifting up the work of other organizations with which you collaborate or that you simply admire. This approach has the added benefit that your team does not have to generate all of its own content to have a consistent communications presence—and you are helping to build the social and intellectual capital of organizational allies. Build explicit assumptions and targets around sharing the work and perspectives of allies into your annual communications calendar and your approach to social media. Those ally organizations are also now more likely to do the same for you when you have something important to share with the field. Social media, if it is indeed used socially rather than self-promotionally, is an immensely powerful platform for reciprocity.

From Extraction to Reciprocity in the Annual Budgeting Process

While social, intellectual, and cultural capital may be less quantifiable than financial capital, they do, of course, cost money to develop. As with so many organizational endeavors, the largest and most hidden cost is time. If we want to support a program director in being a nationally recognized thought leader in our field, for instance, then we have to consider the days—if not weeks—out of the office this will require of her each year. That is, developing and amplifying nonfinancial capital becomes a visible part of her job and a percentage of her time allocation that has to be paid for in the annual budget. This means work that she might otherwise have done with that time—supervision of staff or facilitation of team meetings, for instance—has to be picked up and paid for elsewhere.

The bottom line is that learning organizations, as Senge described them, have to invest seriously in learning. This is far, far beyond the uniform professional development stipends for every employee so often employed in the annual budgeting process. That minimal strategy may be part of a much larger investment in learning and human capital development, but it hardly stands in as one. In team or departmental

budgeting processes, for instance, ask directors not to just plug in a number—i.e., we need \$5,000 for this work—but to articulate in words their anticipated approaches to social, intellectual, and cultural development for the team in the coming year. Think, too, about travel, conferences, and study trips—all expenses that are essential to staff and board members building and sustaining relationships and intellectual currency. A note of caution here: these investments in human capital development, if they are the last to be included and the first to be cut in the annual budget, are still merely symbolic of aspiration rather than fundamental to an organization's way of being.

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In *Reinventing Organizations*, Frederic Laloux writes:

Most organizations today feel that they are in business to get stuff done, not to help people figure out their calling (and in these soulless organizations, many people would be reluctant to explore subjects as intimate as one's personal calling). Yet individual and organizational purpose go hand in hand. It's at the juncture where organizational purpose and individual calling start to resonate with and reinforce each other that truly extraordinary things happen.¹¹

If we can shift from thinking of our organizational relationships as “human resources” to be managed—their capital to be extracted over the life of the relationship—and shift to a frame of deep reciprocity, we will find as nonprofit leaders that it is indeed those relationships above all else that allow our organizations to accomplish the most extraordinary things.

Author's note: *I am grateful to my former colleagues at CompassPoint, especially Lupe Poblano, Asha Mehta, and Shannon Ellis, for teaching me so much about how white dominant culture extracts resources from people and communities. Our experiences working together to adapt our internal management practices at CompassPoint informed much of this piece.*

NOTES

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