

The Multisector Career Arc:

THE IMPORTANCE OF CROSS-SECTOR AFFILIATIONS

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SUMMARY

This article examines the extent to which current leaders from each of the three sectors (public, private, and nonprofit) have had meaningful cross-sector experience either through full-time employment or through service on boards/commissions or other forms of affiliation. Almost half of all leaders profiled had at least one multisector affiliation and about 15% had four or more. It also explores the costs and benefits of such experiences to them and their organization. Almost every leader interviewed described a logical, but serendipitous path that created a unique, unforeseeable, and often very rewarding set of opportunities and experiences. Their profiles also suggest the emergence of a new career path in which leaders garner developmentally rich, career-accelerating experiences, often in parallel, by virtue of part-time cross-sector affiliations in addition to traditional employment.

KEYWORDS: business and society, CEO, human resources management, leadership

The value of a diverse experience in leadership is highlighted in the research on behavioral complexity by Denison, Hooijberg, and Quinn, who state that “a leader with a diverse role and skill repertoire and a broad behavioral portfolio will be best suited to react to a complex, yet often ambiguous and indeterminate organizational and environmental context.”¹ They explore different behaviors and their impact on effectiveness and conclude that mature, effective, and experienced managers developed sophisticated and complex repertoires that reflect the environments from which they emerged.

During the mid-1990s, Arthur’s boundaryless career theory found that leaders no longer follow traditional hierarchical careers, but are likely to switch firms several times, building a career that spans different companies rather than climbing a company-driven promotion ladder.² Subsequently, the context of the recent economic recession gave rise to Heifetz, Grashow, and Linsky’s concept of

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adaptive leadership, which recognizes specific leadership styles required during times of crisis.³ They claim that adaptive leaders encourage diversity, bring in new ideas from outside the firm, and structure the organization so that collaboration happens across units in order to solve complex problems.

These theories in leadership research, along with those of network theory and career theory, provide a framework in which to understand the value of multi-sector experience to the individual and the organization. Its contribution is echoed in both network theory and career theory. According to Balkundi and Kilduff, the new directions of social network theory suggest that core patterns such as connections and relations contribute to a leader's effectiveness.⁴ Austin and Seitanidi argue that cross-sector experience is an advantage to leaders: "regardless of their particular organizational structure and approach, the more successful Business Leadership Coalitions had both CEOs and staff who were skilled in relating to and interacting with government and social sector leaders."⁵ They add, "They had strong abilities to understand, empathize, and communicate with their counterparts."

The focus of this study is on leadership across sectors—corporate, public, and nonprofit. The study documents the prevalence of multisector experience based on publicly available data of 2,050 leaders. Almost half of all leaders profiled had at least one multisector affiliation and about 25% of those with multisector affiliations had four or more. Further analysis of the database is included in Appendix B. Furthermore, the study explores the benefits and costs of this cross-sector activity through interviews with 24 individuals with extensive cross-sector experiences. Chosen to represent all three sectors, the interviewees were also selected to examine a range of underlying motivations and archetypes. (A list of those interviews is in Appendix A.)

Our interviews reveal their enthusiasm for the idea of cross-sector experience and their description of themselves as leaders strongly shaped by their experiences outside their current sector of employment and leadership. Almost every leader described a series of serendipitous opportunities that in hindsight constructed a logical path and created a unique, unpredictable, but ultimately rewarding set of experiences.

The leaders described very different paths to accumulate their cross-sector affiliations and, by extension, shape their careers. Our interviewees' personal narratives helped connect the dots between their affiliations and demonstrate how their growing networks and experience created new opportunities that would have otherwise been unavailable to them. The overall spirit of our conversations is exemplified in the story of Alberto Ibarguen, currently the CEO of the John and James Knight Foundation. Ibarguen's sector-hopping career included stints in the legal arena, private banking, and publishing, and then his current role heading a large nonprofit foundation. He served on the boards of leading nonprofits such as PBS and Lincoln Center and leading corporations including AOL, Pepsi, and American Airlines, and on public entities including the Governor's Council for Education in Connecticut. He was "always active politically and in the arts." When reflecting on his varied career, he said,

I never had a master plan. I built on myself, thinking about what kind of activity would this new role engender, would it allow continuous engagement with the community and whether it is an organization I might want to lead someday. My network helped to create a flow of very interesting opportunities, so I never looked for a job. Every one of my moves was logical (to me) at the time it happened, although it might not have seemed so from the outside.

Another example is Roger Ferguson, currently the CEO of TIAA, the non-profit that is the leading retirement provider for people who work in the academic, research, medical, and cultural fields. After beginning his career as a lawyer with a PhD in economics, Ferguson worked as a partner at McKinsey & Company serving financial services companies and then running the research and information function for McKinsey. He then joined the board of governors of the Federal Reserve System, eventually becoming vice-chairman. After a two-year stint at the insurance company Swiss Re, he joined TIAA. Ferguson remarked that his multi-sector experience

has been transformational for me. My consulting experience and academic training made me interesting to the Fed. That experience helped me become “bilingual” across the public and private sectors as well as deepen my knowledge of financial markets and regulation, which in turn made me attractive to both Swiss Re and TIAA. It helped create a range of skills and a network that differentiated me from other financial leaders and serve me well in my current role.

Ferguson continues to add what he calls “accretive experiences” across sector lines by serving on nonprofit and private boards including Memorial Sloan Kettering Cancer Center,

which allows me to learn how some of my clients view issues such as the Affordable Care Act, or the NY Economics Club, which helps me stay current on economic issues, or the Institute for Advanced Studies, which helps me learn about how to win the war for top talent.

Mark Tercek, the CEO of The Nature Conservancy (TNC) since 2008 and a former managing director at investment bank Goldman Sachs, indicated that moving to a leadership role in a new sector does not just happen:

People with extensive business experience come to me all the time and ask how to get a job like mine. They need to understand that the roots of this move were grown long ago. I had previously served on the boards of two small nonprofits that went through big, successful turnarounds. At Goldman Sachs, I came to believe that business could play a positive role in addressing environmental challenges and helped create a new business line for Goldman in that area and later served as the senior environmental officer of the firm. I was only hired by TNC on the basis of those experiences and the mindset they helped me develop.

These leaders each changed employment sectors as part of their ascent to leading an organization, an approach we called sector hopping. Only 8% of

corporate leaders in our dataset were sector hoppers, while almost half of leaders in the nonprofit and government sectors (43% and 49%) had employment outside of their current sector. But sector hopping is not the only way for leaders to accumulate career enriching experiences.

Barbara Desoer, who recently became COO of Citibank N.A., had a rich history of nonprofit involvement in higher education and the arts, such as the Oakland Ballet and the San Francisco Opera while serving in various leadership roles at Bank of America. She noted,

I looked for situations that were important for me and my life and would allow me to bring my specific business experience to help the organization . . . That's why I was involved at my alma maters—Mount Holyoke College and the Haas School of Business at UC Berkeley, which also allowed me to keep my intellectual connections alive.

Some of her other affiliations emerged because she worked at a company, Bank of America, where nonprofit involvement was seen to be important to professional development, and board roles with important local charities were maintained through a succession model that ensured a continuous presence by one of the Bank's leaders.

Organizational support for cross-sector affiliation played an important role for many of the leaders we interviewed. At some organizations, the encouragement was explicit and formal. Bank of America creates a flow of board opportunities for its current and future leaders at nonprofits it supports. It now also offers web-based training on the role of nonprofit boards and directors, complete with a test on personal and corporate liability issues that is required before taking a company sponsored board seat. The training also serves to create expectations for the serious nature of board service and the amount of time required to fulfill the director role. In addition, the company collects personal board history information and uses it to inform advancement decisions.

At other organizations, the support is more informal. At CARE USA, former CEO Helene Gayle reported that her board considered service on the boards of for-profit companies (Colgate-Palmolive and Coca-Cola in her case) and various public commissions to be valuable from both a brand-building and personal-development perspective. In some cases, the board played a role in helping her find a new cross-sector role. She views for-profit board service as a unique and valuable form of professional development for someone at the top of an organization. Mark Tercek reported that in his case, his informal encouragement came from legendary former chairman of Goldman Sachs, John C. Whitehead: "Whitehead used to lecture us on how important it was to serve on nonprofit boards. He would actively share opportunities with us." Many of the leaders whose new multisector career paths benefited from informal or formal support now actively encourage it to up-and-coming leaders in their organization as a form of leadership development that will pay off for their entity as well as the individuals themselves.

Almost all of our interviewees use the word serendipity to help explain the progression of jobs and affiliations that marked their multisector career. But we also observed each had a high level of openness to the unusual opportunity. Where many friends saw a risky career move, they saw, as Roger Ferguson mentioned, “an accretive experience.” Lisa Caputo, an EVP at Citibank said, “I never had a career plan, which in some way enabled me to have better peripheral vision. I would never have seen these opportunities that I now just love.”

Archetypes of Affiliation

There are four main rationales that make cross-sector affiliations attractive. Individuals may be motivated by more than one rationale:

- *Passion-driven affiliation:* For some leaders, cross-sector affiliations in the form of nonprofit board membership provide an avenue for engagement in an area for which they have great personal passion. Michael Lomax, an academic by training and currently the CEO of the nonprofit United Negro College Fund (UNCF), has had a lifelong passion for civil rights and ensuring equity of opportunity for all in higher education. Lomax’s board affiliations include two for-profits, one involved in higher education, and several K-12-focused nonprofits. Lomax was also a sector hopper, having worked in the public sector as a commissioner on the Fulton County Commission for 12 years.
- *Community-driven affiliation:* Many other cross-sector leaders affiliate with a community focus, for example, by joining the boards of local nonprofits, often with the support of their sponsoring corporation. Barbara Desoer is a community-driven affliator. Desoer is currently the CEO of Citibank N.A., but entered our database as President of Bank of America Home Loans, a leading home mortgage originator and servicer. She built her network of local business leaders in part by joining the board of local nonprofits often where Bank of America had a long-standing relationship. Bank of America has a strong program of supporting its up-and-coming leaders in these affiliations, according to Desoer, who reports they view it as “part of our executive development program.” Another form of community affiliation came when Desoer cited the desire to be a role model for up-and-coming women executives currently in business school.
- *Expertise-driven affiliation:* For some leaders, their many affiliations evolved from specific expertise that made them desirable as a leader or advisor. For Laura Tyson, a PhD in Economics from MIT, that expertise was the ability to engage in issues from a rigorous economics-driven perspective. In Tyson’s case, that was further enhanced by her ability developed as an academic to talk about economics in an engaging way. Tyson’s career was made up of stints in all three sectors, serving as Chair of the Board of Economic Advisors for President Clinton, as dean of the Haas School of Business and at a later date of the London School of Economics, and as a director of private sector companies, including AT&T, Morgan Stanley, and CB Richard Ellis Group.

- *Late bloomer*: Some leaders come to their cross-sector affiliations often as a result of being a corporate leader. Randy Pond, an EVP at Cisco told us “there I was, fat, dumb, and happy at Cisco when a friend reached out to see if I would help the Children’s Discovery Museum.” Pond joined that board and eventually six others. With the zeal of the newly converted and the support of Cisco leadership, Pond created an internal group to identify board slots for promising leaders at Cisco to help them gain skills and represent Cisco in the community.

The leaders we interviewed were for the most part quite enthusiastic about the impact of cross-sector affiliation on their personal growth and careers, but we wondered what specific benefits they felt they gained and what costs they incurred along the way.

Costs and Benefits

While all leaders readily described some personal costs of multisector affiliation, they also reported significant, sometimes transformational benefits that confirm and significantly expand the expected set of benefits suggested by existing leadership research. They felt the benefits accrued to them personally, professionally, and to their current organization. The benefits seemed greatest for those with a deep set of cross-sector affiliations, although even leaders we interviewed whose employment history is single sector described how initially small cross-sector experiences created new opportunities and helped their careers.

Costs

All of the leaders we met with acknowledged real costs to accumulating their cross-sector experience. The common themes were as follows:

- *Time lost by pursuing cross-sector affiliations*: Every leader we talked with mentioned time as a significant cost. Board memberships or public commissions take time and dedication, with leaders reporting investing a day per month or more in some circumstances. They recognized that this “lost time” could alternatively be spent with their families, employees, or customers building relationships or advancing organization objectives.
- *Financial costs*: Whether from forgone salary, slower initial advancement, or out-of-pocket costs, cross-sector affiliation frequently has real financial costs. For example, the need for board members to support nonprofits with philanthropic donations or pay for personal expenses to attend meetings can be material.
- *Forgoing skill development more narrowly relevant to their expertise*: Several of our leaders spoke of the ways in which broadening activities like cross-sector affiliation meant being pulled away from developing deeper technical skills more immediately relevant to their current job by foregoing additional technical, academic, or professional development training, often offered to middle managers in their organization.

- *The risk of making enemies or damaging a reputation:* Affiliation with organizations other than the one currently employing them meant leaders accepted the risks associated with the activities of the affiliated organization, be they reputational damage by affiliating with a nonprofit or private company facing a scandal or by becoming aligned with the findings of a public commission making recommendations in a contentious area. In some sense, these were avoidable risks that every cross-sector affliator choose to accept as part of the cost of affiliation.
- *Sector hoppers faced additional costs* as mind-set/skill gaps, necessary adjustment periods to understand new contexts, or the surprising difficulties of trying to solve new problems sometimes slowed success in their new sector. Mark Tercek, for example, spoke of “blind spots” that accompanied his transition to the nonprofit world: “While TNC’s board may have wanted me for my familiarity with the corporate world, my investment banking style was a hard contrast to the culture of even a very good nonprofit such as TNC. I eventually had to work with an executive coach to learn what would work for a nonprofit CEO.” Robert Reich, former Secretary of Labor, described the dizzying experience that some cabinet members felt transitioning from working in the corporate sector to serving in the public sector. More than a few of our leaders who transitioned to nonprofit leadership roles also commented that they underestimated the difficulty in addressing complex chronic social problems in areas such as education, environment, or health.

So while acknowledging the very real costs associated with cross-sector affiliations and sector hopping, the leaders we spoke with also described a robust set of benefits for themselves and their organizations. Most felt that these benefits accelerated their careers and far outweighed the costs.

Professional Benefits

The cross-sector leaders reported significant professional (career) benefits that contributed to improved performance in their job or that created new opportunities that would otherwise have been unavailable. The benefits cited by our leaders included:

- *Expanded networks:* Almost all of our leaders reported that their cross-sector affiliations helped them build larger and far more diverse networks than would have otherwise been the case. Larger, more diverse networks allowed leaders access to professionally beneficial individuals who helped them see new ways to solve problems, gain access to hard to reach individuals, or form untraditional partnerships. As one of our leaders reported, “leaders like to network with other leaders. These activities allowed me to be seen as a peer working on a shared interest, not as a supplier or a competitor.” These networks also became a consistent source of professional opportunities that most leaders said would not have been available to them otherwise. Sandra Hernández, currently president and CEO of the California Health Foundation

after a series of public and nonprofit leadership roles, said simply, “all of my biggest career moves were driven by people I got to know over the course of my various jobs and affiliations.” Laura Tyson went so far as to suggest a simple formulation: “competence + networks = opportunities.”

- *New knowledge:* Most every leader cited specific knowledge gained through a cross-sector affiliation as directly relevant to performing their current role. The breadth of the knowledge gained was very diverse and highly personal, but consistently described as mind expanding and leadership enhancing. The knowledge ranged from customer insights to a richer understanding of the difference between governance and management.
- *Practical skills:* Learning how to run an effective meeting, manage in a crisis, or other managerial skills developed often during the course of nonprofit or public service at a far younger age than would otherwise have been the case. For example, Alex Cummings, Chief Administrative Officer (CAO) at Coca-Cola, described how his nonprofit board experiences helped him to prepare for and feel comfortable enough to serve on corporate boards, which he now does. Four of those interviewed explicitly mentioned their increased skill in handling crises by keeping perspective and staying cool.
- *Insights into how regulators/counterparties think:* Many cited the benefits of having sat in another’s chair as providing them a valuable view into shared challenges such as how public leaders view regulatory approaches, or how health care providers are dealing with the Affordable Care Act, or what corporations might bring to address environmental challenges. Several leaders described it as making them “bilingual,” able to speak with regulators, customers, or investors in their own language.
- *Broader perspective:* Many interviewees spoke of the broader perspective these experiences provided, which enabled them to see commonalities and differences across organizations, to become comfortable with ambiguity, and to find new solution paths less experienced executives could not see. Leaders also spoke of an increased willingness to take risks, having seen similar situations in other sectors.
- *Enhanced communication and persuasion skills:* The less hierarchical, more collegial cultures of public and nonprofit organizations helped leaders with exposure to those arenas in building up their listening and persuasion skills. Similarly, corporate exposure helped nonprofit and public sector leaders bring a more data-rich, results-focused approach to their persuasion activities.

These benefits helped our leaders enhance their professional brand as well as their competencies. Several corporate leaders spoke of how their bosses heard positive references from unexpected sources as a result of nonprofit or public sector work. Barbara Desoer, in reflecting on Bank of America’s board membership program, felt that for about a third of the participants it catapulted them from a strict career perspective, another third used it to inform and demonstrate personal growth, and for the last third, often those simply looking to check a box, it provided few benefits.

Personal Benefits

Leaders also cite a range of personal benefits, both practical and gratifying, that help create what a number of them described as “a more interesting life.”

- *An enhanced sense of personal fulfillment* that came from giving back to worthy causes and organizations. Passion- or community-driven affiliators in particular were often motivated by a desire to serve or help those in a field or community they cared about. The opportunity to bring their professional skills to advance the work of a worthy organization was very satisfying.
- *Opportunities to connect/share parts of their life with their family* in ways that were not possible within the confines of their “day job.” One leader reflected that while his day job was largely uninteresting to his two daughters, his community work was something they were proud of, could speak about, and often looked for ways to participate in with him.
- *Continuous learning* in areas they found personally interesting, even if not critical to their current professional activities. Leaders spoke about the humbling yet growth-inducing experience of suddenly being the least knowledgeable person in the room when entering a new sector or industry. A sense of ongoing intellectual growth and connection with leading thinkers was a source of significant personal satisfaction for many of our leaders.
- *A way to build social capital and relationships with other movers and shakers*—often through cross-sector boards or public commission service—was a source of personal benefit to many. The chance to “have a reputation” that extended beyond their professional persona was satisfying and a way to become much more than the person filling their current leadership role.
- A number of leaders reported their cross-sector *affiliations changed their views on personal priorities*. One tech executive, for example, said “my nonprofit work helped me get comfortable with moving beyond my all-consuming corporate life and changed my view as to what I was going to do with my wealth.”

Organization Benefits

Beyond the individual benefits mentioned above, all of our leaders felt that the organization they currently lead (and for which they were selected for our database) received a number of sometimes very material benefits.

- *Brand building*: Visible affiliation with organizations and topics seen to be beneficial to the employer helped build the brand of organizations active across sector lines. All of our corporate leader interviewees spoke of the need to meet a growing expectation that corporations do more than sell or profit in their communities. Whether it was the desire to be an asset to communities or simply to earn the “license to operate,” an active community profile, through volunteering and local philanthropy, was seen to be a corporate priority. Interestingly, most remarked that this expectation was increasingly true outside the United States as well.

- A related value of the networks built through cross-sector affiliation was *the opportunity they created for positive political or regulatory dialogue* with those in a position to affect enterprise success. Several noted how personal relationships formed over the course of nonbusiness interactions created access and mutual respect with public leaders that had particular value in business discussions. As one leader said, “If they know and respect me, potential adversaries will at least give us the benefit of the doubt when we enter into conversations on what could be contentious topics.”
- *Enhanced knowledge of markets or issues relevant to the employer’s business interests:* As mentioned above, leaders active in other ecosystems learn of shared challenges or potential customer needs in the course of interacting with leaders from other organizations. The bankers we spoke with, in particular, viewed these community connections as a valuable source of market intelligence and, in some cases, customer opportunities.
- *Nontraditional approaches:* An enhanced ability to work across sector lines and leverage multisector solutions to organizational challenges affected how companies approached partnerships. Sector-crossing partnerships are increasingly common in areas as diverse as agriculture, health, consumer goods, and financial services. Increasing familiarity with the language and leaders from across the sector boundaries enhances the odds of forming and sustaining successful, mutually beneficial partnerships.
- *Enhanced oversight and leverage of donated funds or resources:* Corporations with active local philanthropy programs see benefits to ensuring that donations are given to worthy organizations and are used as promised, or used to maximum advantage. Leaders serving on nonprofit boards can help create high visibility opportunities for philanthropic or marketing funds and provide the oversight needed to ensure they are used as promised.
- *Access to enhanced pools of talented employees:* Several of our corporate representatives felt that having the reputation of being a company engaged in its communities and supportive of staff also looking to volunteer or engage in important societal issues enabled them to attract strong next-generation employees and created a more positive work environment. Corporate leaders serving in the nonprofit or public sector can directly identify and recruit outstanding talent.

Whether the cross-sector affiliations in our leaders’ history simply helped them to live more interesting lives, accelerated their careers, or triggered transformational career shifts, the benefits from these affiliations were significant, far greater than the time and other costs associated with pursuing them. Some leaders benefited from the encouragement of a wise mentor or supportive organization, others simply seized the unusual opportunity and were surprised at the serendipitous and beneficial path that followed.

The Multisector Career

These profiles suggest that the natures of careers themselves are evolving. Just as the single employer-for-life model gave way to one that viewed a career

as a series of employment episodes driven in part by the evolving nature of the employment contract in a world of startups, M&As, and organizational retrenchment, the careers of leaders we profiled—particularly those with a strong set of affiliations accumulated over time—suggest the emergence of a new career model, a multisector arc. This arc is characterized by a rich set of experiences, often accumulated in parallel through part-time affiliations that were instrumental in the leader’s development. Benefits gained from fruitful sector-crossing, part-time affiliations, as well as from multisector employment, accelerate careers as the skills and networks that result can produce a flow of unanticipated opportunities for the ambitious and open minded. For some, the cumulative experiences lead to faster career growth and often to a different career outcome than these leaders ever could have imagined. Many of the leaders we interviewed also characterized the path as producing higher levels of personal satisfaction and fulfillment than they felt achievable by a more conventional career arc.

In some ways, social media sites like LinkedIn are already reflecting this new reality. A person’s profile on LinkedIn is not only a recitation of jobs held and degrees earned, but also allows members to highlight parallel affiliations in the form of board or commission service, to search and reach out to members of their network, and to be recognized for valuable skills by members of that network.

Preparing Future Leaders for a Multisectoral Career

Interviews with multisector leaders made a strong case for significant personal and organization benefits from the experiences they accumulated. Most of the leaders we met with had already helped incorporate cross-sector mindsets and approaches into their organization. But were these the actions of an opportunistic minority or indications of a broader change? What might the future hold for the next generation of leaders and the organizations that seek to develop or attract them?

- There are strong indications that demand for cross-sector collaboration and fluency will continue to rise in all of the sectors. Similarly, there is ample evidence that next-generation graduates and even long-serving employees are looking for ways to broaden their skills and the societal impact of their work.
- Future leaders can take a number of actions to begin accumulating the accretive, cross-sector experiences that can accelerate and enrich their careers.
- Organizations aspiring to support the development of those leaders, employers, or schools also need to promote an ethos and expectation of lifelong learning and provide access to experiences that begin the process that helps create robust, resilient leaders.

The Demand for Cross-Sector Leaders Is on the Rise

Through examples provided by interviewees in this study, and with support from our literature review, we found ample evidence that cross-sectoral approaches and the mindsets and fluency to make them succeed are on the rise.

Private sector. The private sector increasingly interacts across sectors as the relationship between business and other stakeholders is redefined, and corporations recognize that stakeholder engagement can be a source of competitive advantage. Globalization forces cross-sector engagement in a more expansive way. Businesses further engage with other actors in order to attract the best talent. Regulation is a significant driver of corporate profits now and will be in the future as evidenced in sectors as varied as health care, finance, and energy.⁶ Corporate social responsibility (CSR) programs generally rise in activity in the face of anticipated or newly enacted regulations.⁷ Companies seek access to new markets via partnerships with nonprofit organizations. Private/nonprofit partnerships are evolving to reach otherwise noneconomic customers at the bottom of the pyramid in Africa and India, and in the United States, many states have instituted public benefit funds to promote energy efficiency, with private sector utilities embracing these programs to reach both social and corporate goals.

Nonprofit. Nonprofits have realized that, to meet their missions and create impact at scale, they must enlist the help of the private and public sectors. Collective impact initiatives—defined by Kania and Kramer as long-term commitments by a group of actors from different sectors to a common agenda for solving a specific social problem—are only one such manifestation of changing mindsets.⁸ A focus on networks as a more effective means of meeting mission goals is gaining traction. The global health arena has a rich history of public/private/nonprofit partnerships to drive improvements in vaccination or nutrition. Working relations with other sectors can attract new talent and skills into nonprofit management and governance. The rise of earned income and pay for success models benefit from business acumen and private sector investment, and require public sector involvement.

Public sector. Public sector leaders have long embraced cross-sector approaches either by virtue of their regulatory role or their service provision mandates. The Obama administration took the approach a step further establishing the Council for Community Solutions, to promote cross-sector collaboration and “provide advice to the President on the best ways to mobilize citizens, nonprofits, businesses and government to work more effectively together to solve specific community needs.”⁹ This public policy is a strong indicator of the ambition to strengthen collaboration among different sectors of civil society. It can be seen as the inevitable consequence of the good results of public-private partnerships and other cross-sector collaborations as an effective way to address collective demands.

Next-gen leaders. While organizations, and thus leaders, in each of the sectors will continue to rely on sector-crossing approaches, there is also ample evidence that the next-generation employees themselves are biased to seek these opportunities in the future. For example, Gutfreund of the Intelligence Group, which conducted surveys on millennials, reported that for 64% of millennials, making a difference in the world through their work is a high priority.¹⁰ The current generation of leaders seems to feel the same way even though their primary careers

are winding down. According to the New Face of Work Survey, “fully half of adults age 50-70 . . . aspire to work in . . . areas that combine the . . . other benefits associated with work with the desire to contribute to the greater good.”¹¹ For 57% of retirement age adults, “it’s very important that the job give them a sense of purpose.”¹² This report also found that people in the 50 to 59 age range are especially interested in changing or transitioning careers to jobs that will make a positive impact in their communities.¹³

Advice for Future Leaders

If the need for multisector fluency and skills are on the rise, both for organization and personally driven factors, how should individuals prepare for careers with this added dimension? We asked our leaders what advice they would give to today’s students embarking on their careers. Most seemed to think that conventional career advice is too narrow. Five themes emerged from their advice:

- *Start early*—Early in your career, build both the experiences and self-management habits that allow you to affiliate while pursuing your day job. Several leaders paraphrased a similar idea, namely, that a “great career outcome at age 50 begins at age 25.” They encouraged serving on nonprofit boards, political campaigns, public commissions, volunteer projects, consulting to nonprofits, and nontraditional internships as ways to gain exposure and experience. There is nothing wrong with starting small as they advised that almost any affiliation can be a source of new skills or knowledge if viewed with an open mind. Jennifer Granholm, former Governor of Michigan, emphasized that getting involved during one’s 20s is a great opportunity. “Be fearless in gathering experiences.” Furthermore, she asserts that serving in some way should be part of what you do: “you have an obligation to serve, to be ‘beyond yourself.’”
- *Build networks in different ecosystems*—Robust networks were seen as a real asset by the multisector leaders. Affiliations that provided entry into different ecosystems of activity, communities, or issue areas have more value than networks tightly linked to a single thematic topic area. Exposure to a wide range of leaders and problems is highly developmental. Leaders also stressed the importance of continuing to invest in maintaining those networks over the course of a career, pointing out that the junior member of a committee may well become the next corporate titan or political leader with the friendships formed serving as a source of future clients, jobs, or opportunities.
- *Invest in ideas and organizations that you can be passionate about*—Since all cross-sector affiliations have a cost, do things that matter to you. When you get an opportunity, be fully engaged as that will best position you as someone who cares and can get things done. Checking the box by accumulating lots of low-touch affiliations can be more damaging to your reputation than helpful.
- *Get out of your comfort zone*—While leaders stressed that they wanted to be engaged in areas where they brought something valuable to the affiliation, they also wanted to be in areas that provided rich new learning opportunities, which

was the key to growth and development. Michael Lomax of UNCF stressed the beneficial effects of learning “humility about what they don’t know and less certitude about what they do.” Empathy, he felt, is key to be able to work with others and a hallmark of outstanding leaders. Jennifer Granholm stressed involvement with the people you seek to serve: “You will become a much better leader if you put yourselves in a position to see people’s pain, walk in their shoes. You have to see them to lead them. Little bits of exposure help guide your gut.”

- *Be open to the unusual opportunity*—Janet Napolitano, whose career spanned private practice law, state government, the Department of Homeland Security, and now president of the University of California (UC) system, warned “beware the tyranny of the straight line.” The idea that you can plan a career is unrealistic and even unwise as it will unnecessarily limit what you can achieve. As we mentioned, a common attribute of the leaders we interviewed was their open minds and willingness to try something that inspired them, but often seemed like a poor career move when viewed through the lens of conventional career management approaches. Careers are not linear and can be more beneficially viewed as an arc, built through multiple, often multisector affiliations that lead to personal growth and accelerated advancement.

We also explored with our interviewees, as leaders of organizations involved in hiring decisions, to what extent their own cross-sector experiences color what they look for in key hires. Interestingly, few explicitly look for cross-sector affiliations: “I don’t consciously look for cross-sector affiliations, but when I see them we have a lot more to talk about.” Yet all seemed to acknowledge the benefits of the versatility that often results: “I look for proxies in people’s background; have they seen a range of problems and will they be able to figure it out? Broader experience is attractive.”

How Organizations Seeking to Develop and Attract These Leaders Should Change

The view that an experientially rich career will lead to greater effectiveness and opportunity puts a new burden on those organizations hoping to develop or attract future leaders. Universities will need to do more than imbue technical expertise, and organizations hoping to attract those graduates will need to continue that development by providing environments and support that enable continued growth for leaders in the making.

Schools

Many schools, undergraduate and graduate, speak of their aspiration to develop students into leaders. But this research suggests that the career of future leaders will be broader and more varied than in the past. Furthermore, different experiences can play a critical role in developing the leadership skills that

accelerate careers. So how might education institutions modify their approach to reflect these lessons?

Schools can prepare students with the hard skills needed to succeed in a multisectoral world. They can begin by forging greater interaction between students from different degree programs at the university—such as between those in business, the arts, policy, education, and urban planning—to mine different sectoral knowledge and experiences and develop broader perspectives. There is already a rise in student demand for dual degrees, so the interdisciplinary interest is there. In classrooms, cases and examples must come from all sectors, so that students build their strategy and analytical skills for diverse settings.

Experiential learning allows students to enter the multisectoral world earlier: programs that place students on local nonprofit boards or public commissions, and classes in which students work directly with local small businesses, social enterprises, nonprofits, and public institutions on actual current problems. Placing students in varied settings builds their capacity for working with others different from themselves, and developing the empathy and communication skills necessary for senior leadership. Working in the community develops creative problem solving of tough real-world problems. Real-world problem solving with diverse teams also helps students identify nontraditional, multisector ways to solve conventional sector problems. Schools can provide low-risk opportunities for students to move beyond their comfort zones, and develop humility. Through skill-building activities in different setting, emerging leaders become part of multiple ecosystems and thus begin to increase their value and opportunity flow.

Schools can move beyond traditional notions of the technical purpose of a professional school to develop the mindsets that lead students to broad, successful careers. The hard skills learned above create a rich set of capacities—both skills and new networks—that lead to a high-option career path. This high-option career path would resemble an arc rather than a ladder. Schools can promote an ethos and expectation of lifelong learning that creates robust, resilient leaders. Schools can bring exemplars of this broad upward-arc career to speak with students not only about the success of their primary jobs but also of their careers, including their multisector experiences and journeys.

One particularly distinguishing element of leaders in the study is that they recognized and seized unusual opportunities: a regional private sector lawyer who worked on national election reform, a commercial banker who worked on improving local education. These leaders saw opportunities, not distractions or diversions, in these activities. And yes, many of these affiliations led to jobs, promotions, and top leadership positions. Importantly, these leaders credit these opportunities with making them better leaders for their organizations and in their careers. Graduate schools can help students be attuned to these opportunities by encouraging students to try something new, venture into unknown territory, and experiment in an area in which they have interest but that may be far afield from their major.

Focus groups with students underscore the role schools can play in helping future leaders get on the right track. When presented with the advice outlined above, students asked practical, individual-specific questions such as the following: How much time can I devote to these pursuits? How do I pick the right organization? How do I get started if I am not at the top of my organization already? How might I use the archetypes you describe to think about a path for me? These questions are all powerful fodder for a school seeking substantive engagement with its students on shaping their careers while they are at school and as alumni.

Schools can demonstrate to students how careers and people and organizations actually grow and succeed. They can show how others have succeeded, by bringing in leaders as speakers and asking them explicitly about their multisector involvement. They can set students on a path to a high-option career with assistance from their career management groups.

Organizations

Regardless of their sector, all organizations have not only the goal of attracting strong, diverse talent, they also have a material role in helping to develop it. Our discussions with leaders revealed there are already a variety of practices in place today, primarily in the private sector, for encouraging employees to gain accretive experiences that also benefit organizational interests. The practices of leading companies as diverse as Bank of America, Coca-Cola, Cisco, Citibank, and Intel suggest a number of approaches that organizations of any sector can use to support attracting and developing future leaders with rich experiential learning opportunities.

- *Hire with an eye to multisector experience:* While few organizations explicitly value cross-sector affiliations in the hiring process, this research suggests an enhanced skill set and the potential for accelerated growth by individuals who have broader experience may have an edge over time.
- *Create opportunities for up-and-comers:* Most of the companies we talked with made efforts, either formally or (too often) informally, to create board service opportunities for their future leaders, in some instances to viewing board slots as “corporate assets” to be protected and valued. One of our leaders went so far as to tell his direct reports that they had one year to get on a local nonprofit board. He then remarked, that most of them, having had positive experiences, have in turn said the same to their key staff. Nonprofits, in turn, are often looking for business savvy directors to help with their mission. There is a natural nexus of interests in many cases that could allow the astute organization to strategically target those nonprofits or public initiatives most supportive of their CSR, branding, or staff development goals.
- *Support volunteers with training:* Several companies have developed nonprofit director training programs to build governance skills and awareness of potential liabilities in taking nonprofit board or public commission roles. More should follow.

- *Provide mentors for those staff volunteering outside their sector:* Experienced mentors can help more junior employees facing new or difficult governance or representation situations. Mentors can also reinforce the learning opportunities that these affiliations can provide.
- Second promising staff to cross-sector organizations for 6- to 12-month developmental rotations or create visiting executive programs that allow up-and-comers from other sectors to gain cross-sector experiences while allowing internal staff to build relationships with and learn from these executives on loan.
- Private companies also have the opportunity to position their CSR and other philanthropic activities internally as more than simply protecting their license to operate in a community. These types of activities should be recognized as valuable for future leaders and should be seen as a management development construct.
- Targeting a portion of philanthropic budgets (and in some cases marketing budgets) to nonprofit organizations where a company has active staff engagement (volunteering or board service) is another way companies can strengthen linkages between the entities and enhances the profile of the participating staff.

Not all of these approaches work in each sector and would need to be tailored. Government employees, for example, are often restricted from serving on nonprofit or corporate boards, but that does not mean they cannot serve on public commissions that would bring them into regular contact with leaders from other sectors. The broader mind-set of enabling staff to gain other sector experiences as part of a thoughtfully constructed management development program is the starting point for any organization.

Conclusion

This research makes the case both for the prevalence and benefits of cross-sector affiliations as an important experiential element of leader development. Since the study was a point in time and not over time, we do not know if this type of leadership is becoming more common, though we suspect so, given that we see greater commitment to experiential programs at top business schools and in top corporations.

What is clear is that simultaneous cross-sector affiliations are already representative of nearly half of current top U.S. leaders. Leaders engage in cross-sector work simultaneously with their primary jobs; they gain rich experiences in parallel rather than in sequence. Multisector experiences build their networks, their skills, and their knowledge; more of these experiences advance them further. They develop “peripheral vision” that expands their usefulness. They become more than the person filling their current leadership role and often ended up in unpredictable exciting leadership situations. According to these leaders, they got

to top leadership positions faster, saw a wider range of opportunities, became more effective as leaders, and enjoyed higher levels of satisfaction along the way.

Given these findings, up-and-coming leaders and the organizations that advance them can thread multisector experiences into their leader development programs as a tool to produce more skilled, knowledgeable, flexible, networked, satisfied, and effective leaders. As Janet Napolitano cautioned up-and-coming leaders, “beware the tyranny of the straight line.” The upward arc of leadership starts here.

Appendix A

TABLE AI. List of Those Interviewed (Job Title at the Time of Interview).

Leader's Sector	Leader	Leader's Role at Time of Interview
Corporate	Lisa Caputo	Citigroup, EVP Global Marketing
Corporate	Alexander B. Cummings Jr.	Coca-Cola, EVP and Chief Administration Officer
Corporate	Emery Koenig	Cargill, Vice Chair and Chief Risk Officer
Corporate	Barbara Desoer	Citibank NA, Chief Operating Officer
Corporate	Paul Otellini	Intel, CEO
Corporate	Randy Pond	Cisco, EVP Operations, Processes and Systems
Law	Martha Tierney	Tierney Lawrence LLC, Partner
Public	Thomas P. Glynn	MassPort, CEO
Public	Janet Napolitano	Homeland Security, Cabinet Secretary
Public	Jennifer Granholm	Governor of Michigan
Public	Robert Reich	Labor Department, Cabinet Secretary
Public	Laura Tyson	Council of Economic Advisors, Chair
Nonprofit	James E. Canales	Barr Foundation, CEO
Nonprofit	Roger Ferguson	TIAA, CEO
Nonprofit	Helene Gayle	CARE USA, CEO
Nonprofit	Don Howard	Irvine Foundation, CEO
Nonprofit	Alberto Ibarguen	Knight Foundation, CEO
Nonprofit	Sandra Hernández	California Healthcare Foundation, CEO
Nonprofit	Michael Lomax	United Negro College Fund, CEO
Nonprofit	Steve McCormick	Moore Foundation, CEO
Nonprofit	Luis Ubiñez	Ford Foundation, CEO
Executive Search	Dale E. Jones	Diversified Search, CEO
Executive Search	John Isaacson	Isaacson, Miller, CEO
Consulting	Lenny Mendonca	McKinsey & Company, Director of the Public Sector Practice

Appendix B

Survey Results

Researchers from UC Berkeley's Haas School of Business identified a total of 2,046 leaders for which biographies could be gathered: 1,549 corporate, 309 public sector, and 188 nonprofit sector. For corporate leaders, CEOs, and C-suite members (chief financial officers, chief operating officers, chief administrative officers), executive (or group) vice presidents, or similar titles from Fortune 200 companies were identified, with no more than ten representatives from a single corporation. For government leaders, a random sample of senators, representatives, national agency heads, governors, and mayors was selected. For nonprofit leaders, we selected presidents of the top 100 foundations and executive directors of the top 100 nonprofit organizations. This mix of leaders was chosen to roughly match the share of the economy represented by each sector—10% nonprofit (independent sector), 15% government (OECD Library), and 75% corporate/business.

Information on these leaders was compiled from a Leadership Directory database published by Leadership Directories Incorporated and supplemented by web-based searches of other public records conducted by student volunteers. Our leader database was developed during 2012 and early 2013 and thus represents a “snapshot” view of leaders at that point in time.

The resulting database contained 2,046 leaders, of whom 86% were male. The share of female leaders was higher in the nonprofit (25%) and government (20%) sectors as compared with the corporate sector (11.5%). Overall, women filled 14% of the leadership roles.

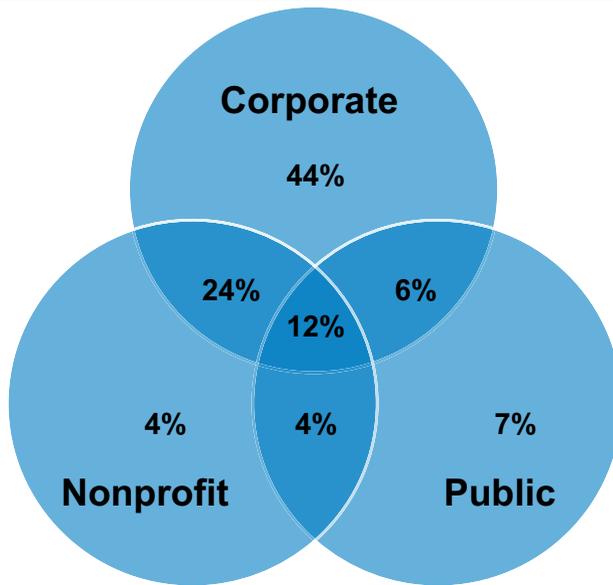
For the purpose of our analysis, a cross-sector affiliation was defined as a full-time job in a sector other than that for which the leader was selected for our database, that is, a U.S. senator who held a full-time job in the private sector prior to being elected to public office, or part-time service on the governing board of an organization in a sector other than that for which a leader was selected for our database (i.e., a corporate leader serving on the board of a local nonprofit would count as a single cross-sector affiliation). This approach, in our experience, undercounts actual cross-sector affiliations, as our detailed interviews with a small sample of our database often turned up additional cross-sector affiliations not present in our data. Public records, for example, might not capture all of an individual's employment history, previous nonprofit board service, or work on a public commission or election campaign. Likewise, leaders whose “day job” required them to interact regularly with leaders from other sectors (e.g., lobbying activities on behalf of their organization) would not be counted in our dataset. The following analyses should therefore be considered to identify the lower end of the actual prevalence of cross-sector activity and affiliation.

Nearly half of all leaders (46%) identified for this study had cross-sector affiliations. There was, however, variation among leaders from different sectors. Leaders from the public and nonprofit sectors typically had higher levels of cross-sector

TABLE B1. Prevalence of at Least One Cross-Sector Affiliation.

Leader's Section	Total (2,052)	Men (1,768)	Women (284)
Corporate	42%	41%	52%
Nonprofit	62%	62%	64%
Public	56%	55%	61%
All sectors	46%	44%	56%

FIGURE B1. Leaders by affiliation, percent.



Note: 100% = 2,046.

experience (56% and 62%, respectively) than corporate leaders (42%). Table B1 presents the data on all leaders and parses cross-sector affiliations for leaders from different sectors.

Women leaders typically had a higher prevalence of cross-sector affiliations at 56% than men who affiliated at a 44% rate. This trend was most pronounced in the corporate sector, where the level of affiliation by women leaders was almost 25% higher (52%) than that observed of men (41%). The difference between the genders was smaller in the public sector (61% vs. 55%) and nonprofit sectors (64% vs. 62%).

The majority of known cross-sector affiliations were between the corporate and nonprofit sector. Figure B1 shows the percentage of leaders falling into each affiliation group, that is, 44% were corporate leaders who had no known affiliations with either the nonprofit or public sector while 24% of leaders had both nonprofit and corporate experiences.

TABLE B2. Cross-Sector Affiliation Prevalence by Type.

	Job Cross-Sector Affiliation	Non-job Cross-Sector Affiliation	Any Cross-Sector Affiliation^a
Corporate	8%	39%	42%
Nonprofit	49%	36%	62%
Public	43%	39%	56%

^aJob and non-job affiliations do not add because some leaders will have both.

TABLE B3. Cross-Sector Affiliation Prevalence by the Home Sector of Leader.

Leader's Sector	Corporate	Public	Nonprofit	All Three
Corporate	58%	5%	29%	8%
Public	16%	45%	17%	23%
Nonprofit	24%	17%	38%	21%

A surprising 12% of leaders had experiential affiliations with all three sectors.

Cross-sector employment differed significantly by sector. Nonprofit (49%) and public (43%) leaders had previous jobs in the corporate sector, while few (8%) of corporate leaders had previously worked in other sectors. The prevalence of non-job cross-sector affiliations (board memberships for example) was far more comparable among leaders from different sectors, as summarized in Table B2. The differences between prevalence levels by type of cross-sector affiliation between men and women leaders within a sector were small and reflected the overall trend shown in Table B2.

These job cross-sector affiliations suggested an intriguing subgroup, the sector hoppers, consisting of those leaders who had full-time employment in more than one sector. For example, after a successful career in investment banking with Goldman Sachs, Mark Tercek was recruited to lead TNC, an environmentally focused nonprofit that was looking to strengthen its ability to work collaboratively with business to address environmental issues.

Sectors that require more cross-sector collaboration (nonprofit and public) attract or advance leaders who have direct experience in those other sectors. The pattern of cross-sector affiliations varied somewhat by sector as shown in Table B3. Private sector leaders' cross-sector affiliations were biased toward nonprofit experiences, typically board service. Public leaders were evenly split between private- and nonprofit-focused cross-sector affiliations with 23% of public leaders having experience in all three sectors. Nonprofit leaders favored private sector experience but an almost equal percentage, 21%, had experience in all three sectors.

TABLE B4. Distribution of Number of Affiliations among Leaders with at Least One Affiliation by Sector:

	1-3 Cross-Sector Affiliations	4-6 Cross-Sector Affiliations	7 or More Cross-Sector Affiliations
Corporate	78%	16%	6%
Nonprofit	74%	19%	7%
Public	70%	21%	9%

Frequent and super affliator profiles emerged. We identified a group of frequent affiliators who had four to six CSAs and a small group (typically less than 10% in each sector) who were super affiliators, having seven or more CSAs. As shown on Table B4, the differences between sectors were relatively modest on this aspect of affiliation, with the public sector leaders more likely to have higher numbers of CSAs than the nonprofit leaders, who were again slightly more likely to have higher numbers of CSAs than the corporate leaders. The most affiliated leader in our sample was a sector hopper, having worked in all three sectors and accumulating 17 CSAs over the course of her career. The differences between men and women leaders were relatively modest in our sample set for this attribute.

CEOs are more likely to have cross-sector affiliations. Leaders who held a CEO title were somewhat more likely (52% vs. 42%) to have cross-sector affiliations and were also likely to have more cross-sector affiliations than non-CEOs (an average of 2.9 vs. 2.5 for non-CEOs). This finding was less surprising giving the representational obligations of the senior executive of an organization.

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