



Leveraging Philanthropy in a Systems-Change Initiative

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Leveraging Philanthropy in a Systems-Change Initiative

Submitted by

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DEDICATION

I dedicate this capstone to the memory of my mother Joan Lynn Wilson and my dear grandparents Fannie and George Lassiter, whose unwavering belief in me is and has always been the foundation on which I stand. I am eternally grateful to have known them, loved them, and been loved by them.

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Home

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ABSTRACT

I served as a resident at New Profit, a national nonprofit venture-philanthropy fund whose mission is to break down the barriers that stand between people and opportunity in America. New Profit serves as an intermediary between traditional funders and entrepreneurs seeking risk capital to make social impact; it creates impact by providing financial resources to organizations that offer solutions aligned with its mission. New Profit pools these funds to address the areas of early learning, PK–12 learning, and postsecondary success.

In 2016, New Profit’s fund for postsecondary success, the Learn to Earn Fund, engaged more than 180 thought leaders from the business, education, and technology sectors in discussions centered around the future of work. This group agreed that, in order to succeed, future entrants into the workforce would need to demonstrate soft skills (e.g., capacity to interact effectively with others). With the support of philanthropic partners Walmart, Lumina Foundation, Joyce Foundation, and ECMC Foundation, New Profit partnered with XPRIZE Foundation to design a Future of Work XPRIZE (FOW XP). FOW XP is a market-based approach that incentivizes entrepreneurs and innovators with a multimillion-dollar prize to develop technical solutions that help low-wage employees to develop soft skills. I was brought in to New Profit’s Learn to Earn Fund to lead a cross-sector alignment of the FOW XP initiative, enlisting employers, researchers, innovators, and funders to coalesce around a common strategy, language, definitions, and assessment for validating soft skills based on employee performance.

This capstone examines my work to create an ecosystem that aligned support across disciplines involved in the initiative to launch and scale the FOW XP. I have found that, although the journey started with the technical challenges of raising the money to fund the prize, the real work began with the adaptive challenge of aligning a cross-sector group of employers, technologists, and philanthropists around a common agenda and a goal-impacting systems-change strategy to scale soft skills. To understand this work, we must understand power structures, diversity, equity, inclusion, shared value, and the collective decision-making surrounding workforce development.

INTRODUCTION

New Profit is a national nonprofit venture philanthropy fund whose stated mission is to “break down the barriers that stand between people and opportunity in America” (New Profit, February 22, 2019). The organization works with entrepreneurs, philanthropists, employers, and community-based organizations to catalyze new innovation to address social and financial challenges in America. New Profit serves as an intermediary between traditional foundation funders, high-net-worth individuals, and entrepreneurs seeking risk capital to make social impact by providing financial resources to organizations that directly provide solutions aligned with its mission. New Profit pools these funds in three categories: early learning, PK–12 learning, and postsecondary success. While New Profit as a whole has been around for 20 years, the fund for postsecondary success has been around for 4 years.

Over the past two decades, New Profit has deployed funds in the three categories to invest in social entrepreneurs leading nonprofit organizations with proven potential for scale. Recently, that core strategy has been amplified by collaborative field-building efforts to accelerate systems change in a range of domains, including education, youth development, public health, and workforce development. New Profit’s Learn to Earn Fund (LTE) focuses on innovations in the areas of higher education and workforce development. LTE’s mission is to coordinate and advance the collective efforts of evidence-driven nonprofits, systems leaders, policymakers, and funders to ensure that over 10 million more Americans are prepared for career success by 2025. One way that LTE achieves this mission is to address the skills gap and misalignment problems that plague the American workforce. The skills gap is a trending problem of low-wage, entry-

level positions that do not equip employees with the necessary skills to grow into higher-paying positions with clear career paths. As a recent survey of 500 top United States executives found, nearly half consider skills gaps the main driver of their inability to fill open positions (Adecco Resources, 2018). In 2016, the LTE fund conducted a Power Skills Landscape analysis to engage employers and thought leaders in the college and career success fields around the skills gap challenge in collaboration with the XPRIZE Foundation (XPRIZE), an organization that designs and manages public competitions to encourage technological solutions to solve massive global challenges. Together, New Profit and XPRIZE engaged more than 180 thought leaders from the business, education, and technology sectors in discussions about the future of work, identifying the skills that future workers will need to succeed. One learning that emerged from these discussions was an increased focus on soft skills (e.g., capacity to interact effectively with others in the world and the workforce). These skills include teamwork, communication, problem-solving, critical thinking, and empathy (Borghans, Duckworth, Heckman, & Ter Weel, 2008). Along with these thought leaders, employers and philanthropic partners, Walmart, Deloitte, Jamba Juice, Lumina Foundation, and Joyce Foundation helped New Profit and XPRIZE Foundation structure a Future of Work XPRIZE (FOW XP). FOW XP is a market-based approach that integrates large employers into the design of a public prize challenge aimed at motivating for-profit and nonprofit entrepreneurs and innovators to develop technical solutions that help low-wage employees develop soft skills, which these large employers can then use.

Ultimately, FOW XP seeks to:

- Equip millions of entry-level employees with the skills necessary for success in the future workforce;
- Incentivize innovation teams to apply the latest technologies to create effective, scalable ways for entry-level employees to develop soft skills, such as using mobile phones to disseminate training solutions so that employees can learn on the job;
- Help the research and higher education communities better understand which skills and mindsets have the most positive impact on employees; and
- Sustain scaled impact for low-income Americans through partnerships with the nation's largest employers and postsecondary providers.

New Profit LTE's goal in launching FOW XP has been to align employers, funders, researchers, and technologists around a shared future of work agenda centered on scaling soft skills while using technology to revolutionize how learners develop in-demand skills and gain the work experience employers require. With the incentive of a high-profile prize competition, New Profit theorized that leading employers and cutting-edge innovators, acting entrepreneurially, would find solutions to help learners build the soft skills necessary to transition into and persist in the workforce.

New Profit LTE anticipated benefits for all learners, but New Profit intended the initiative to align with its diversity, equity, and inclusion (DEI) principles (Appendix A). The initiative focused on helping low-income and entry-level workers who hadn't acquired the skills to take advantage of opportunities presented by emerging workforce automation technologies like artificial intelligence, robotics, and other digital platforms touted as the future of work. In an effort to operationalize a commitment to DEI

principles, New Profit LTE included the following language as part of its mission and vision operational principles:

Recognizing that effective transformative initiatives for the field can only be generated and emerge when informed by a range of voices, we ensure we have representation from different perspectives in all aspects of our work, from internally within our team, to externally with our partnerships. We look for variance across a number of dimensions, including race, gender, socioeconomic status, age, national origin, religion, disability, sexual orientation, education, marital status, language, physical appearance, and political perspectives (see Appendix A).

The Future Is Now

Many employers acknowledge that K–12 doesn't prepare students adequately for the world of work (Snir & Wander, 2016). One area where this preparation is lacking is soft skills, such as communication, problem-solving, empathy, and teamwork, which are even more important today because of increased automation, which has changed the nature of work (Manyika, 2017). But there is still no clarity around what soft skills means. Thus, through my work on the FOW XP, my residency tried to (1) build consensus on the meaning of soft skills and (2) then garner agreement on what kinds of technical solutions may have the most potential to teach these in-demand skills.

My residency work on the FOW XP initiative spanned the period from September 2018 through May 2019, focusing on a two-program strategy: (1) designing and leading a cross-sector alignment initiative that would enlist employers, researchers, innovators, and funders to coalesce around common strategy, language, definitions, and assessment for validating soft skills based on employee performance through the FOW XP; and (2) securing funding needed to launch the prize. I aimed to understand how New Profit could position itself as a trusted intermediary broker to build alignment and relationships across

sectors that would address major social issues using private-sector and philanthropic dollars to incentivize systems-change initiatives.

This capstone focuses on my work to create an ecosystem that aligned support across disciplines involved in the initiative to launch and scale the FOW XP. I have found that, although the journey started with the technical challenges of raising the money to fund the prize, the real work began with the adaptive challenge of aligning a cross-sector group of employers, technologists, and philanthropists around a common agenda systems-change strategy to scale soft skills. To understand this work, it is important that we consider power structures, relationships, shared value, and the collective decision-making surrounding workforce development.

Capstone Overview

The first section of the capstone, the Review of Knowledge for Action (RKA), highlights the critical literature and frameworks related to venture philanthropy, intermediaries' cross-sector collaborations, and systems change that shaped the theory of action for this project. The second section, Strategic Project Description, details how I operationalized this theory of action in implementing the strategic project. In the third section, Evidence, I detail the progress-to-date outcomes and outputs of the FOW XP Strategic Project. The fourth section is Analysis, where I use the theory of action and the evidence to develop a validation and evaluation approach to understand the project. In this section, I also discuss why I got the result I did. In the final section, Implications for Self, Site, Sector, I present my reflections on what it will take at the individual,

organizational, and sector levels to create and lead a cross-sector collaborative for systems change.

REVIEW OF KNOWLEDGE FOR ACTION

As a new entrant to the philanthropic sector, I had to understand the history and current context of venture philanthropy. In addition, because New Profit is an intermediary with little to no formal authority and I wanted to lead through a cross-sector collaboration, it was prudent for me to ascertain what lessons and strategies could be gleaned from the literature on collective impact and shared value.

History of Venture Philanthropy

Exploring the history of venture philanthropy allows for a better understanding of how the sector approaches social problem-solving and can help forecast what actions and activities are likely to produce future success. The first use of the term *venture philanthropy* has been attributed to John D. Rockefeller III in 1969, when he advocated for the philanthropic sector before Congress (Zunz, 2012). Venture philanthropy is a type of investment that uses financial market and business principles to leverage capital in order to achieve social impact. Essentially, the idea is to invest venture philanthropy dollars in experimental projects too risky for public tax dollars (Zunz, 2012). Venture philanthropy has historically appealed to philanthropists who want to see social returns on their investment that ultimately lead to scale in their work. Contemporary venture philanthropy has its roots in venture capital, in which investors provide financing to an early-stage business that has the potential to scale providing a 10x return (Bussgang, 2010). Venture philanthropy focuses on social instead of financial returns and seeks a return on investment in the breadth and scale of its impact in relation to the size of the problem (Grossman, Appleby, & Reimers, 2013).

Venture philanthropy is unique in that grantees are considered partners in philanthropists' efforts to solve local or global issues (versus traditional philanthropy, in which foundations take a hands-off approach to investments and typically interact with the grantee at agreed-upon evaluation periods) (Grossman, Appleby, & Reimers, 2013). Furthermore, the sector explicitly aims to move beyond the boundaries and hierarchies of the grant-giver and grant-seeker dynamic to create mutually beneficial relationships. As such, venture philanthropists tout their close ties and intimate understanding of the problems their grantees aim to solve (Grossman, Appleby, & Reimers, 2013). Whereas large-scale traditional foundations may have dozens of grantees, venture philanthropy funds pride themselves on establishing intimate relationships with funded entrepreneurs; indeed, venture philanthropy initiatives may maintain a dozen or so relationships at a time, providing capital as well as technical and operational expertise in an effort to build sustainable organizations (Grossman, Appleby, & Reimers, 2013).

The defining difference between venture philanthropy and other more traditional forms of philanthropy is twofold: its focus on return on investment and its role as an intermediary between wealthy individual investors, traditional foundations and social entrepreneurs and their ventures. In venture philanthropy, there is an expectation that nonprofits' solutions are far-reaching and will greatly benefit those it serves; thus, a collaboration leveraging the capital of both granter and grantee can make a greater and more nuanced impact than a foundation or individual donor could achieve separately.

Just as the venture capitalist (VC) is an intermediary between its limited partner investors and the provider of the entrepreneurial solution, the venture philanthropy model serves the same role between the intermediary and its individual and traditional

philanthropic investors and social entrepreneurs and their ventures. Its public origins can be traced back to the late 1990s, with the publication of “Virtuous Capital: What Foundations Can Learn from Venture Capitalists” (Letts, Ryan, & Grossman, 1997). The article addressed the dearth of venture capital’s impact on social problems. It advised foundations and philanthropists to look to the VC model for inspiration for investment practices including due diligence and performance measurement. The following year, New Profit and its largest competitor, New Schools Venture Fund, were founded as the first two venture philanthropy firms (Perry & Callahan, 2017).

The primary roles of the intermediary venture philanthropy fund are to (1) identify or provide systems-change insights on an issue that a traditional philanthropist may not have purview over because it is not as proximate to grantees, (2) propose how the issue might be solved, and (3) build support from various resources, including monetary resources, to solve the problem (Grossman, Appleby, & Reimers, 2013).

Research has shown the venture philanthropy model has yielded returns in the education nonprofit sector. An analysis of a 2012 Bridgespan study of 200,000 nonprofits showed that 10% had achieved revenues of \$50 million. Of the 200,000, only eight were relatively new organizations (founded after 1985). All but one of these eight organizations had received venture funding that enabled them to go from startup to scale in a little over a decade (Grossman, Appleby, & Reimers, 2013). In addition to revenue growth, venture philanthropy has been credited with introducing rigorous due diligence and performance management systems along with a focus on scaling to the nonprofit sector (Grossman, Appleby, & Reimers, 2013). Many scaled educational organizations (e.g., Knowledge Is Power Program (KIPP), City Year, and Teach For America) credit

their growth to the venture philanthropy funding and support they received in their early stages (Grossman, Appleby, & Reimers, 2013).

New Profit, in its role as a venture philanthropy intermediary, is known in the philanthropic community for its success in selecting high-potential organizations and social entrepreneurs. The organization was an early backer of Teach For America, City Year, and KIPP, all programs that are cited in education circles for their impact and scale (Grossman, Appleby, & Reimers, 2013). One of the key tenets of philanthropy is the need for risk capital and innovation to address intractable problems. While venture philanthropists expect a social return on their investing in terms of scale, they have a higher risk tolerance than traditional investors. VC has served to de-risk investments for traditional foundations and investors by providing early-stage operational and growth capital (Koh, Karamchandani, & Katz, 2012).

Finally, through its intermediary structure of raising funds from high-net-worth individuals and foundations, venture philanthropy has also provided a vehicle for philanthropy to pool funds in a catalytic way, where:

giving is aligned with a shared theory of change developed between a funder and its partners (including grantees, leading voices, beneficiaries and other stockholders) which is focused on the organizations, knowledge, advocacy and delivery capabilities required for multifaceted solutions to complete problems which are beyond the scope of the single organization; this philanthropy is often focused on addressing market failures and is concerned with measurement and gathering evidence/feedback for ensuring sustainability over time. (Grossman, Appleby, & Reimers, 2013, p. 4)

Leveraging Venture Philanthropy to Correct Market Failures

In addressing the skills gap challenge, New Profit LTE is expected to apply its past experience and success scaling education organizations to the FOW XP initiative to correct a labor market failure that has left millions of Americans without the necessary

skills to succeed in the world of work. In May 2018, there were 6.6 million jobs available and 6.3 million unemployed Americans (Morath & Smith, 2018). Many employers who could fill some of these jobs through training or upskilling employees choose not to, preferring to hire for skills because that is less expensive than training an employee. This employer mental model has contributed to sustaining the skills gap challenge in the United States (Snir & Wander, 2016).

Research suggests that while the soft skills gap does not account for the entirety of the unfilled jobs, it is partly responsible (Snir & Wander, 2016). If the market was working correctly, we would see more employers leveraging a development model by increasing their training budgets to invest in their employees' longer-term career trajectories by providing training for their employees instead of the current status quo that features a selection model where employers hire for specific skills (Snir & Wander, 2016). In addition to the mental modes of employers, several other reasons have been suggested for the current labor market failure, but according to Snir and Wander (2016), the top identified factors include the following:

- K–12 and postsecondary education systems have not seen it as their responsibility to teach “Soft Power skills” such as social interaction, empathy, problem-solving, and communication. (Nye, 2008, U.S. Chamber Foundation, 2017)
- Efforts to train and measure power skills have struggled for lack of universally accepted definitions for terms and constructs. A dozen taxonomies are used to teach and define soft skills, including power skills (the term used by New Profit) and professional skills (the term used by New Profit Employer partners), both of

which are often combined into the broader term, twenty-first-century skills (Snir & Wander, 2016).

- The varied context and transferability of power skills across employment sectors complicate their teaching and scale. For example, ways to communicate technical information at Microsoft could mean something altogether different from customer service-related communication at Walmart.
- No scalable, reliable, validated assessments of soft skills exist.

In light of these factors, New Profit LTE outlined four unique goals needed to solve the skills gap challenge:

- Align a cross-sector collaborative to support this issue.
- Secure investments from private markets and traditional philanthropy to cover costs that could be considered a K–12, secondary school, or state government responsibility.
- Catalyze a marketplace for technical skill solutions that could, for example, include products or services that use the internet or mobile technology to teach soft skills to millions of workers.
- Infuse academic communities with skills research about the kinds of mindsets and behaviors that are valued by employers of non–entry-level employees but that entry-level employees don’t usually have and don’t have an opportunity to develop because employers are reluctant to fund soft skills training (Schramm, personal communication, December 6, 2018).

To tackle how New Profit might address these goals and use its position in venture philanthropy to help solve the skills gap challenge, I reviewed literature on collective

impact, shared value, and systems change. What led me to focus on these theories is that they all center on cross-sector collaboratives and alignment as essential levers for addressing complex social problems. My synthesis of the literature, summarized in this Review of Knowledge for Action (RKA), informed my theory of action.

Collective Impact: The Theory and Tools of the Venture Philanthropy Intermediary

Systems change is only achievable when actors from multiple sectors band together to solve a problem. This approach is called *collective impact*. Collective impact theory, identified by John Kania and Mark Kramer in 2011, is based on the idea that since societal problems in any given community arise from myriad issues and actors, the problem can only be solved when these actors join forces across sectors (Kania & Kramer, 2011). The framework posits that bringing together actors across disciplines to solve a problem creates an opportunity to develop a shared understanding of the problem from multiple vantage points and, consequently, to develop more effective solutions to seemingly intractable social problems. The collective impact approach has proved successful in addressing social problems that result from multiple market failures (Lynn, Gase, Roos, Oppenheimer, & Dane, 2018) and addressing problems that would be impossible for a sole actor to address on their own (Lynn et al., 2018).

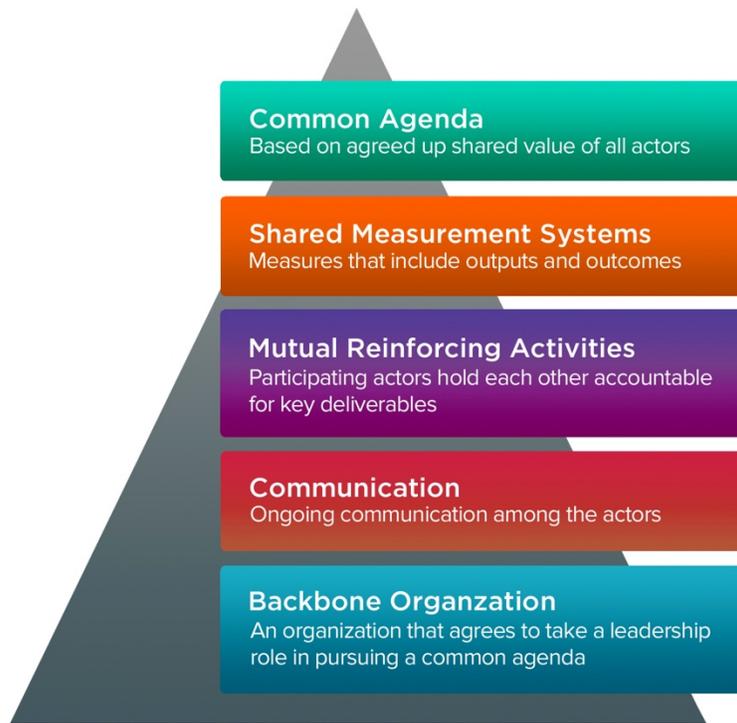
Two key components of a successful collective impact strategy are the commitment of the backbone organization and the involvement of the private sector. (Kania & Kramer 2011). A backbone organization is one that agrees to take the lead in managing the collective impact initiative, overseeing the process of ongoing communication, measurement, and reinforcing activities by the actors and stakeholders in

the collective. The private sector brings the capital, the strategic focus, and facility in change management necessary for effective large-scale problem-solving. Additionally, the private sector provides the “corporate pragmatism, accountability, and data-driven decision making” that “can cut through the red tape and ideological disagreements that often stymie governments and NGOs” (Kramer & Pfitzer, 2016, para. 14).

In the FOW XP context, New Profit LTE served as the backbone organization for the FOW XP initiative. A multinational hospitality company “hospitality company” agreed to serve as the employer validation partner, testing the top FOW XP solutions on thousands of their employees. What makes the hospitality company so valuable as a partner is their unsurpassed scale and brand, and their proprietary employee performance measurement and evaluation systems, which command worldwide respect. The hospitality company’s partnership and validation bestows the FOW XP and any solutions coming out of the prize with the credibility that comes from being associated with a Fortune 500 company.

In addition to the backbone organization, the four other elements that must be in place to launch a collective impact agenda: shared goals, a shared measurement system, a mutual reinforcement of activities in which the participating parties hold each other accountable for key deliverables, constant communication,(Figure 1; Lynn et al., 2018).

Figure 1 Collective Impact Framework by John Kania and Mark Kramer



Note: Reproduced from “Collective Impact,” by J. Kania and M. Kramer, 2011, *Stanford Social Innovation Review*, 9(1), 36–41.

While collective impact is a straightforward concept, it is difficult to achieve. Past literature and research show that collective action has many benefits, but for-profit companies that enter the space face four barriers: the lack of a trusting environment, competition, immediate monetary return on investment, and knowledge of the social sector (Lynn et al., 2018). To understand the complexities involved in building collective impact through the FOW XP initiative, it is important to further explore and provide context for these four barriers.

First, using market-based approaches to solve social problems can be difficult due to long-standing distrust between sectors, such as education and business (Russakoff, 2015). Indeed, as Zunz notes in *Philanthropy in America* (2012), early philanthropists

like Rockefeller and Carnegie received backlash for what was seen as their intention to influence public policy under the guise of philanthropy. In 2011, Harvey, Maclean, Gordon, and Shaw coined the phrase *entrepreneurial philanthropy* to describe the phenomenon by which prominent entrepreneurs use philanthropy as a tool to convert economic capital into other kinds of cultural, social, and symbolic capital (Harvey, Maclean, Gordon, & Shaw, 2011). One hallmark of these entrepreneurial activities is the “fierce drive to accumulate personal fortunes and . . . the desire to deploy a significant part of their wealth in pursuit of philanthropic ventures over which they can exercise control’ (Harvey et al., 2011, p. 425).

This critique of corporate philanthropy has remained consistent, recently re-emerging in force with Anand Girdharades’ 2018 book, *Winners Take All*, in which the author asserts that philanthropists and venture philanthropists like New Profit take stances to push agendas that are market-based and self-serving (Girdharades, 2018). Thus, a trusting environment is essential for the success of the FOW XP initiative. A multisector partnership depends on the ability of employers, philanthropists, and intermediaries’ researchers and technologists to trust one another’s intentions.

Second, a business’s sustainability, by its very nature, depends on having and exploiting an unfair advantage (Porter, 2008), but solving a social problem that could help the world includes *helping* competitors. This fundamentally goes against the rules of competitive advantage and competition. In a 1979 *New York Times Magazine* article, economist Milton Friedman famously stated that “the social responsibility” of a business is to “increase its profits” (Zunz, 2012). Essentially, a business’s need to thrive in competition can be compromised by wide-reaching philanthropic efforts, thereby

potentially causing conflict between the company's "social responsibility" to increase profits. As such, their motivation for engaging in social philanthropy leaves room for questions: are they really in it to help the world? Moreover, this gets back to the trust issues discussed above. How can partners build relationships on trust if doubts about motivation persist?

Third, the private sector depends on returning profits. Unfortunately, as Friedman (1970) suggested, a business's effectiveness is not based on solving the world's problems, which makes it difficult for organizations in the sector to justify their investment (Porter, 2012). Leading business thinkers Michael E. Porter and Mark Kramer have written extensively on the limits of corporate philanthropy and corporate social responsibility. Indeed, these budgets, prosocial initiatives, and partnerships are the first to be cut when there is a downturn in the market or a change in leadership. Thus, Porter and Kramer posit that in order to make an impact initiative sustainable, an organization must ensure that the initiative provides value to a company's core operations so that the business leaders see a return on their investment of time and money (Porter & Kramer, 2011).

Creating Shared Value: A Case for Collective Impact

One approach to execute a collective impact strategy is to build shared value. Shared value is a strategy that organizations can use to add value to their business by addressing social problems that intersect with their core business (Porter & Kramer, 2006, 2011). The creating shared value (CSV) framework highlights the role a business can play in creating economic value for shareholders while addressing some of society's greatest challenges. Porter and Kramer note that "businesses acting as businesses, not as

charitable donors, are the most powerful force for addressing the pressing issues we face” (Porter & Kramer, 2011, p. 4). In this case, businesses “can improve profitability while also improving environmental performance, public health and nutrition, affordable housing and financial security, and other key measures of societal wellbeing” (Institute for Strategy and Competitiveness, n.d.).

By design, the CSV approach is innately self-sustaining because it advises businesses to address a social challenge that can be solved by changing an element in its value chain, thus improving efficiency and creating revenues that can be reinvested for further change. Through this method, companies can create value for themselves, shareholders, and society. With the FOW XP, the hospitality company employer partner is changing the way it does business through its partnership with New Profit, offering unprecedented access to its employees and employee data in an effort to validate promising skill solutions that should help to catalyze a market and ecosystem for soft skills training, which will help the hospitality company by filling its critical soft-skills entry-level employee training gap.

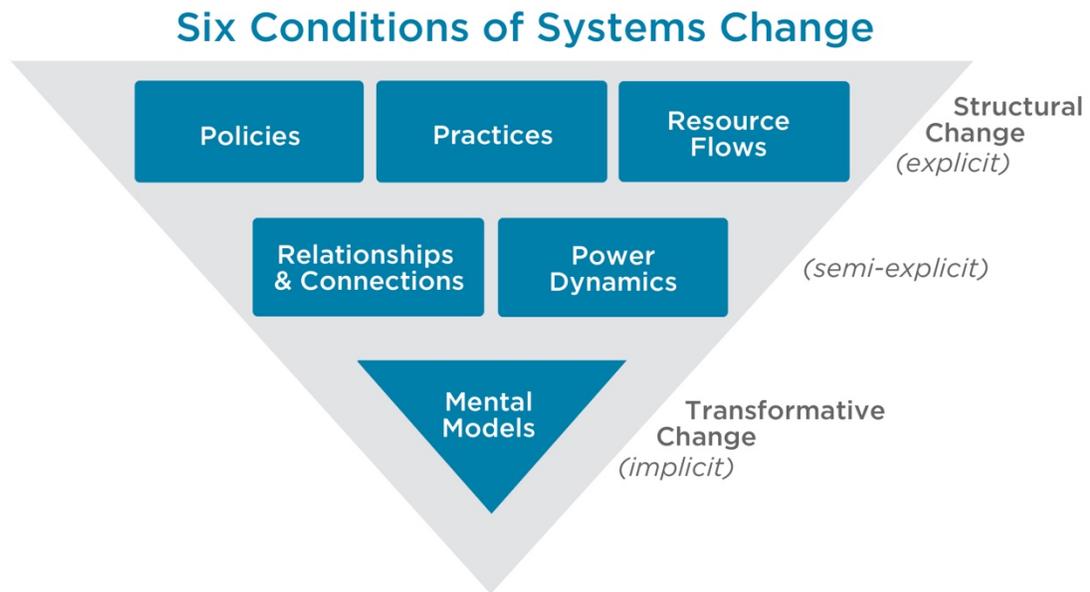
In partnering with employers, New Profit’s LTE Fund and the FOW XP initiative set out to address the social problem of the skills gap, including the conditions that caused the problem to persist. This issue threatens Americans’ economic stability and corporations’ future viability because providing skills and training increases job satisfaction and reduces employee turnover (Snir & Wander, 2016). Turnover-related issues cost an estimated 12% to 40% of pretax income for a company, depending on its size (Snir & Wander, 2016). Using this lens, New Profit has the ability to make a business case to employers that supporting the FOW XP has the potential to make a

return on their investment and to add to shareholder value. With the key actors for collective impact identified and the shared value of the initiative defined, an initiative is well positioned to act. In the next section, I explore how actors working collaboratively in a system can take a systems approach to addressing long-standing social problems.

Systems Change: A Philanthropy Approach

The managing partner at New Profit is the sponsor of the FOW XP initiative. When he and I discussed the FOW XP initiative in September, he said, “We have a theory of action around systems change that involves getting the leading actors aligned to leverage cross-sector synergies through this prize”. The Managing Partner saw the FOW XP as a vehicle that could lead the actors in the system—employers, funders, researchers, and technologists—to align around the language and definitions of soft skills and who should be teaching them. I left the conversation with the Managing Partner wondering what conditions for the FOW XP could lead to this type of transformation.

Figure 2. The Water of Systems Change Framework



Note. Reproduced from J. Kania, M. Kramer, and P. Senge. (2018). *The Water of Systems Change*. https://www.fsg.org/publications/water_of_systems_change.

In *The Water of Systems Change*, Kania, Kramer, and Senge (2018) theorized that foundations taking a systems approach to the problems they are trying to solve have better odds of succeeding. The authors outlined six interdependent conditions that foundations should address when attempting to solve long-standing, seemingly intractable social problems (Figure 2): policies, practices, resource flows, relationships and connections, power dynamics, and mental models. The authors use a “fish to water” analogy to illustrate how the system or world is organized. Just as fish do not notice water, the authors’ purport that people are unaware of the interconnectivity of the conditions that underpin the system. As such, the authors’ framework attempts to make visible how the systems conditions function interdependently. The authors note that these conditions play out externally in the world as well as within foundations because they happen along a continuum from explicit (i.e., policies include laws that govern our

society; practices are the social norms; resources are the assets of the community, including knowledge and money) to the more implicit, such as relationships between the actors in a system, including the power dynamics and mental models that exist in and between the actors.

Kania, Kramer, and Senge (2018) assert that if a foundation is to undertake systems work, it should prioritize addressing less-explicit conditions that deal with people, the way they see the world, and their personal biases, which are critical factors that keep the system dysfunction intact. Kania said that any given social situation can be broken down into six key elements pictured in Figure 2, but for any given social problem, the degree to which the condition plays a part in holding the problem in place may vary. These conditions are always present for any given social problem, but the conditions vary in terms of the degree they are directly attributable to sustaining the problem (John Kania, personal communication, November 16, 2018). For example, in a trivial case, we may need to focus on policies or practices. But to solve the most serious problems, organizations need to address all six elements if they are to achieve sustainable systemic change. This is a critical insight because foundations have historically faced outward when addressing problems rather than focusing on their own practices and possible contributions to the problem they aim to solve. Foundations have rarely implicated themselves in the problem they are trying to solve (Burton & Barnes, 2017a). As Kania, Kramer, and Senge (2018, p. 5) remarked,

Moreover, since the less explicit conditions are the most challenging to clarify but can have huge impacts on shifting the system, changemakers must ensure that they pay sufficient attention to the relationships, power dynamics, and especially the underlying mental models (such as racism and gender biases) embedded in the systems in which they work.

To better understand foundation practices and power dynamics, I interviewed 24 black women in philanthropy between September 2018 and February 2019. In the interviews, it became apparent that most of them operated in environments that failed to systematically balance issues around race, which, in turn, limited productivity. Interviewees recounted stories of their lived experiences being discounted, the lived experiences of their grantees being discounted, and work environments that centered on the white cultural norm of perfectionism. On the whole, the environments and the professionals who populated them discounted these women's experiences. It was only a matter of the degree to which this disregard affected the black women in their roles as foundation executives and their ability to do their jobs.

One organization that proactively tried to address internal and external issues of diversity, equity, and inclusion (DEI) was Lumina Foundation. Lumina embarked on work to embed DEI principles in their internal organization and external grantmaking practices in an effort to address power dynamics (Russell, 2017). For the women I interviewed, the presence of power dynamics alone was not debilitating, but the lack of recognition was. Lumina's equity work both acknowledged and responded to these dynamics. Lumina Foundation brought in outside experts on DEI to survey staff and conduct a review of foundation documents and grantmaking (Russell, 2017). They found that that Lumina's staff needed a deeper understanding of and comfort level with racial equity and the role staffers played in keeping inequities in place. Lumina staff members "were asked to map out their respective social networks so they could see that, essentially, they were relying on the same people" rather than bringing in new perspectives (Russell, 2017, p. 19). This is one way that Lumina Foundation shined a

light on a practice that contributed to keeping inequity in place by not allowing opportunities for new entrants into the foundation's networks.

Both internal and external conditions affect whether foundations can effect large-scale change. Important internal factors that are critical for foundations to address are power dynamics, mental modes, and practices that, left unchecked, can often eat away at a foundation's internal staff dynamics, relationship with the people it serves and simultaneously reinforce the problems it seeks to solve if it does not reconsider its internal processes and practices (Burton & Barnes, 2017a).

However, the question remains whether an approach to shifting systems conditions alone is sufficient. New Profit as an intermediary is driving the FOW XP initiative without formal authority. Furthermore, the employers and other philanthropic partners have the most to gain or lose from the success of the FOW XP initiative. As a social intermediary that has identified a labor market failure, it is imperative for New Profit to understand and learn from past intermediary organizations' successes and failures based on their organizing principles.

Organizing Principles: Avoiding the Pitfalls of Past Philanthropic Intermediaries

The New Profit LTE Fund team saw an opportunity in collaborating with leading employers to leverage advances in technology that could provide breakthrough solutions to the skills gap problem—if aligned in the right way. Lessons from other organizations may have implications for the work of New Profit LTE as New Profit embarks on using philanthropy as a wedge in its attempts to align the interests of the business community with those of the education sector.

We can look to the Bill and Melinda Gates Foundation's investment in Common Core and Mark Zuckerberg's \$100 million investment in Newark public schools as examples of systems-change initiatives where collective impact and shared value strategies were not effectively leveraged (Greene, & Symonds, 2006; Russakoff, 2015). These initiatives, which used capital-heavy strategies to convince schools, nonprofits, and policymakers to support their work without engaging deeply on a grassroots level with communities to receive their buy in (Russakoff, 2015). Both initiatives approached change largely by leveraging multimillion-dollar investments, writing policy, and enlisting government officials to enact the change. Many critics note that both initiatives had little community support (Russakoff, 2015). Public school teachers immediately criticized common core for encroaching on their autonomy to create curriculum. Many of them felt their voices were overpowered by state officials who made demands on curriculum alignment that they would have to carry out (Russakoff, 2015). Similarly, Newark's mayor and the New Jersey governor decided that taking money to expand charters would be a good idea without listening for the community's opinions about how the money should be used or surveying teachers and community members about which charters they wanted (Russakoff, 2015). Reflecting on the Zuckerberg Newark Foundation partnership, the current Newark mayor said he wished the foundation had taken time to work with the community to develop solutions specific to Newark (Garfield, 2018): "You can't just cobble up a bunch of money and drop it in the middle of the street and say, 'This is going to fix everything.' You have to engage with communities that already exist. . . . To parachute folks in, it becomes problematic" (Garfield, 2018, para. 7). The lesson here is that even with a high-profile project with big players

(corporations, government, and philanthropy) that agree, the projects will fail if the people most affected aren't included in the problem-solving process.

The biggest takeaway for New Profit, which relies on the Water of Systems Change (WSC) framework, is to consider how the organization can engage the anticipated beneficiaries of the FOW XP to ensure that power dynamics, mental models, and monetary resource flows and incentives do not blind New Profit to the challenges and threats that might keep the FOW XP initiative from succeeding.

As the Zuckerberg and Gates Foundation examples show, millions of dollars in funding can cause an imbalance in the power dynamics in a cross-sector collaboration, thereby tipping the scale toward the funder and ignoring the voices of the people who are closest to the problem. It can also insulate the benefactor from valuable criticism that could help strengthen the program. Furthermore, in these cases, the inequities that existed before the Zuckerberg and Gates interventions still exist; they play out internally on a micro level within the initiatives because these funders did not address the power dynamics and resource flows and mental models required for sustained systems change (Russakoff, 2015). Kania and colleagues aptly point out that “funders also often embody traditional power dynamics based on wealth, race, gender, and status, which can limit their ability to support deep inquiry into such conditions externally” (Kania, Kramer, & Senge, 2018, 5). In short, they recommend that before a funder can solve for power dynamics externally they most first ensure that they have attended to power dynamics internal to their organizations for a more equitable workplace as it is difficult for an organization to advocate for practices that they themselves do not practice (Kania, Kramer, & Senge, 2018).

Padamsee and Crowe (2017) argue that one way to address power dynamics is through the integration of diversity, equity, and inclusion (DEI) principles into an organization's internal and external strategies (Padamsee & Crowe, 2017). Their "Unrealized Impact" report included a study of 200 organizations and 5,000 individual perspectives showed that diverse teams "produce stronger results in their ability to attract, retain and satisfy employees; to increase shareholder return in the private sector; and to improve academic outcomes in the education sector" (Padamsee & Crowe, 2017, 1). While data support the inclusion of DEI principles for improved outcomes and relationships, many organizations find it challenging to operationalize these values as part of their everyday activities (Padamsee & Crowe, 2017). Case studies of Grantmakers for Education on the Lumina Foundation and New Schools Venture Funds show how these organizations worked to integrate DEI principles into their organizations' practices and provide an illustrative framework that can help other organizations operationalize DEI (Russell, 2017). The two case studies' common DEI practices are these:

- Senior leaders must commit to DEI.
- Embed DEI principles into the organization's strategy and initiatives.
- Collect DEI data on partners and analyze the data for patterns.
- Create an investment area focused on DEI, and/or infuse the commitment across all programs.
- Build teams' capacities to have conversations about DEI. (Russell, 2017).

Kania, Kramer, and Senge (2018) provide an illustrative example of the funder California Endowment's accounting for the power and resource dynamics, which led to

more equitable and successful outcomes for their Building Healthy Communities (BHC) initiative:

The Endowment first initiated BHC in 2010 as a more conventional philanthropic effort by setting forth “Four big results, 10 key outcomes, and a logic model.” After receiving critical feedback from community residents, the Endowment revised the initiative’s goals to “building people power, implementing proven health protective policy, and changing the narrative about what produces health.” (Kania, Kramer, & Senge, 2018, p. 12)

The authors went on to say that integrating community voice in the initiative was more powerful than a “single intervention.” This openness to listening to the community surfaced the tension around the Endowment’s program staff holding all the grantmaking power. The endowment then created the Fund for an Inclusive California, which that handed grantmaking power to the community itself (Kania, Kramer, & Senge, 2018). The researchers explain that by solving for the power dynamic in its strategy, the California Endowment was able to achieve its designed programmatic outcomes (Kania, Kramer, & Senge, 2018).

On a smaller scale, in 2012, I had a similar experience as the founder of Global Language Project, a New York-based nonprofit that partners with schools to create world language programs. We had a large funder who had committed \$2.5 million over four years to one of our school partners in order to launch the city’s first Arabic program. The program allowed for every student from kindergarten to fifth` grade to learn Arabic. Additionally, it initiated a much-needed technological update to the school, providing iPads, charging stations, and technical support for 150 students. At the time, it seemed an ideal situation for one of the city’s lowest-performing schools. In hindsight, I see how both the school principal and I were blinded by the multimillion-dollar investment. For

example, we ignored signals that we did not have full buy-in from the community during the nine months we implemented the program. We ultimately ignored these signals, assuming that teachers, parents, and students would understand our greater goal once the program was in place. This all came to a head when several right-leaning newspapers published a story questioning our motivations and alleging that we were promoting terrorism by teaching Arabic in the school and thus allowing foreign governments to infiltrate public schools (Ono, 2017). While this was far from the truth, we were caught unawares by this interpretation of the initiative, and local officials and agencies like the New York City Department of Education received pressure to cancel the program. Although the grant and funding ultimately were approved, a cloud of suspicion lingered around the program. This experience taught me the following:

1. Implementing any substantial organizational change that involves a shift in mindsets takes time.
2. Use a personal narrative to express how important the initiative is to you; this clarifies your motivations while helping to bring the community together around your decisions.
3. Prioritize building community buy-in through relationships and maintain this buy-in for the duration of the project.
4. Listen to and address signals from the community, no matter how small or insignificant they may seem; our biases and blind spots can perpetuate power dynamics, which results in valid concerns being disregarded or voices marginalized.

5. Align your constituents around the shared value proposition to ensure that they see and can articulate its importance to their lives.

Given that New Profit seeks sustainable impact with the FOW XP, I must then look at what constitutes systemic change. The research of Kania, Kramer and Senge (2018) showed me that the elements defined in the WSC framework would need to be addressed as part of the FOW XP strategy if the initiative is to achieve the hoped-for impact. Also, it was clear that we would need to examine the internal New Profit and LTE team practices and to address the external conditions to ensure that the prize achieves the desired outcomes. Addressing the six conditions in the WSC framework allows me to identify, test, and include strategies to ensure the sustainability of the FOW XP Initiative. In addition to this framework, I will include research on collective impact, creating shared value, and organizing principles to develop specific initiative strategies. In this vein that I developed the theory of action for my strategic project work at New Profit.

Theory of Action

If I

- Develop an effective process to build shared value by
 - A. Understanding the shared value proposition of the FOW XPRIZE Initiative
 - B. Communicating this understanding and receiving feedback from a key group of diverse stakeholders
 - C. Negotiating and garnering agreement
- Build a process to enable collective action by

D. Providing access to diverse voices

E. Collectively developing ways to measure impact

- Garner sufficient financial support from foundations, corporations and high-net-worth individuals to fund the FOW XP initiative.

Then

- New Profit will be better-positioned with the financial commitments and necessary partnerships to launch FOW XP with a cross-sector collaboration and necessary monetary commitments.

This capstone will detail the relationship-building and storytelling work that I embarked upon to align a cross-section of leaders in the future of work field. It will follow the journey of my residency work to create shared value and to lead through collective impact to push an agenda inclusive of the people who have the most to lose or gain on the future of work. This capstone addresses how I led New Profit's strategy to change how the public thinks about and prepares for the future of work.

THE STRATEGIC PROJECT

Description

In July 2018, I joined New Profit’s Learn to Earn Fund (LTE) as an Entrepreneur in Residence leading the design and execution of the Future of Work XPRIZE (FOW XP) Initiative. New Profit LTE’s theory of action centered around aligning a group of leading actors in the future of work —employers, technologists, researchers and philanthropists—to coalesce around common strategy, language, definitions, and assessment for validating soft skills based on employee performance. Then, with a common set of definitions, we would use the FOW XPRIZE as a way to solicit ideas as to how the problem could be solved by using a public prize challenge as a tool to effect systems change in workforce development.

It was with this charge as a first step that I immersed myself in New Profit to understand where the FOW XP fit within the organization's overall priorities. I also used this time (from July through August) to build relationships and allies for the work among New Profit’s leaders. I worked to build credibility with the Managing Partner, through supporting his effort to secure a large philanthropic institution as the lead \$6 million naming sponsor for the FOW XP. Venture philanthropy sees the ability to attract outside resources as a key indicator of future success, and thus it was important that while New Profit was investing from its own Fund, additional outside investors validated the concept (Grossman, Appleby, & Reimers, 2013). New Profit’s goal was to raise a total of \$12 million to fund the prize. The goal was to bring the large philanthropic institution onboard as the naming sponsor, to be the “face” of the initiative, because New Profit preferred to stay behind the scenes.

As New Profit's LTE FOW XP initiative preceded my residency tenure and will go on after it, my strategic project goals over the 10-month residency were as follows:

- Develop an effective process to build the shared value of the FOW XP by crafting a compelling FOW XP case for support that aligned leading actors around common strategy, language, definitions, and assessment;
- Build a process to enable collective action among an ecosystem of funders and partners for the FOW XP, thereby ensuring that diverse voices were represented; and
- Build financial support for the initiative by securing \$1 million in confirmed funding while cultivating a pipeline of commitments of \$2 to \$2.5 million to fully fund the initiative.

Keeping in mind New Profit LTE's goals and theory of action, I designed a strategy that enabled a cross-sector collaborative to allow New Profit to be better positioned to launch the FOW XP. The project unfolded in three phases. The first phase centered around the development of an effective process to build shared value of the FOW XP. The second phase focused on building a process to enable collective action based on this shared value. The final phase included leveraging the momentum from the collective action to garner sufficient financial support to launch the FOW XP. In the next section, I detail how I developed a process to build shared value.

Development of an Effective Process to Build Shared Value

In setting out to build the shared value case, I relied on Porter and Kramer's (2011) Creating Shared Value (CSV) framework. As discussed, CSV positions market failures as opportunities for businesses to impact social good in a profitable and sustainable manner by leveraging their business model. My first order of business with

the FOW XP was to identify companies I thought could leverage their core competencies to help address the skills gap. We wanted partners who could use their business models and expertise in research, technology, scale, training, and information technology to expand the reach and depth of the FOW XP. The FOW XP was designed to solicit the development of solutions to measure soft skills. Thus, we needed a corporate partner with strong employee performance testing, metrics, and human resource practices that could help us validate the proposed solutions. The Managing Partner secured the partnership of the hospitality company to help with validation. The relationship between the hospitality company and New Profit predated my tenure, but I used it as a model of shared value to develop criteria by which I assessed other prospective partners (Appendix B FOW XP Partnership Criteria).

The multinational hospitality company agreed to serve as the validation partner, so I reviewed the partnership to ensure that the New Profit LTE agreement with the hospitality company aligned with the principles of shared value. The first shared value benefit I noted was the value of the act of testing the top solutions developed from the FOW XP competition on thousands of hospitality company employees. This testing benefited the hospitality company and its employees because these employees would have an opportunity to acquire soft skills while benefiting the FOW XP by providing proof of concept. The hospitality company and FOW XP had a strong case for shared value. I also noted a second business case for the hospitality company's involvement: The hospitality company's global head of Human Resources said it hadn't had success with training their frontline and entry-level workers with soft skills.

The hospitality company's data showed that soft skills acquisition and abilities differentiated some of their highest-performing employees from those who were dismissed because their performance did not meet expectations (The hospitality company, personal communication, October 25, 2018). The hospitality company saw soft skills acquisition as a way for employees to improve customer service. Through their FOW XP partnership, the hospitality company would be the beneficiary of leading technical teams' developing solutions exclusively for their employees, targeting soft skills development. The hospitality company would be valuable to FOW XP as a partner because we could leverage their scale and unsurpassed brand and proprietary employee performance measurement and evaluation systems. The hospitality company's partnership and validation bestowed the FOW XP and any solutions coming out of the prize with the credibility that comes from being associated with a Fortune 500 company.

In thinking about how I could make an effective process to build shared value with other potential FOW XP partners, I used the hospitality company's partnership as a model. I researched other companies like the hospitality company, whose core business would benefit from a FOW XP. I focused on companies that had publicly communicated their problems with the skills gap, having had difficulty finding employees skilled in communication, empathy, agility, problem-solving, computational thinking, and teamwork. New Profit LTE, prior to my tenure, had spent 18 months learning about the future of workspace and identifying what skills entry-level employees would need in the future to succeed in their careers. They conducted field interviews, focus groups, and convenings, culminating in a Power Skills Landscape analysis report (Snir & Wander, 2016). The report listed all the participating corporations, foundations, and nonprofits and

the leaders in technology and workforce development. I used this list to identify and compile additional prospective partners to join the cross-sector collaborative to launch the FOW XP.

I researched the organizations on this list to understand if and how they had experienced a skill gap issue in 2018. I reviewed interview transcripts from their meetings with New Profit and recaps of email conversations with New Profit from 2016 to 2018. Using online research and my personal relationships, I identified organizations that had either publicly mentioned being interested in or affected by the skills gap. Working with New Profit's Managing Partner, I narrowed the list to 35 organizations using the criteria in (Appendix B) to determine which organizations had the greatest potential to align with the FOW XP shared value proposition. While each proposition varied slightly for each company, similar to the hospitality company example, each company stood to gain by addressing the skills gap challenge. All the companies I approached had previously surfaced that addressing the skills gap was a challenge for their internal Human Resources Departments and an organizational priority. These companies were demonstrating shared value by treating a problem in society as a business opportunity that would lead to wider community impact (Kramer & Pfitzer 2016). The list of organizations reflected a cross-sector collaborative of stakeholders in the FOW space, including corporations, foundations, research institutions, K-12 and higher education organizations, technologists, scientists, and education entrepreneurs. For example, through my interviews, I identified that higher education institutions had a vested interest in solving the skills gap challenge so they could ensure they were graduating students with employable skills. I pitched FOW XP as a platform that broke

down the silos between higher education and employers, allowing higher education representatives to see which skills and mindsets had had a demonstrated impact on employee performance, based on Fortune 500 company data.

Once the prospect list had been confirmed for this first phase, I set out to contact these partners. Some of them we knew because of previous New Profit engagements. For others, I used LinkedIn to make contact. In each instance, I requested a meeting with a principal decision-maker. I scheduled a time to speak with the organization to present an overview of FOW XP, to learn how they might be experiencing the skills gap challenge and, if applicable, to gauge their interest in partnering . During these calls, I learned about the organizations' values and the potential they saw for their business model to address the soft skills gap. In these conversations, I heard firsthand how these prospective partners were experiencing the soft skills gap as a pain point in their organizations and how their unique expertise in the sector allowed them to leverage their employees and business to help contribute to solving the soft skills problem. One example is a large professional services firm, which had an explicit organizational commitment to assisting low-income and entry level workers. As part of its partnership with FOW XP, the large professional services firm offered its experience (1) as challenge operator, (2) using its consultancy protocols to surface additional use cases for the solutions beyond the hospitality sector, and (3) using its research capacity to draft white papers and reports that could be served to the academic and business companies. If an organization like large professional services firm expressed interest in partnering, I drafted a concept paper proposal outlining the FOW XP opportunity and the partnership proposal which included the elements that the company had said it could contribute to the FOW XP initiative. I

scheduled subsequent calls with prospective partners to negotiate the details of the partnership based on what was important to the partner and core to their business. This process included many rounds of emails detailing the fine points of the partnership to ensure that both New Profit and the partners were aligned on shared value before committing.

After every meeting with a prospective partner, I compiled notes, identifying the shared value or common points that aligned with the FOW XP and with other employers and partners we had previously engaged. Working collaboratively with The Managing Partner, I also reconciled questions from the partners and noted when they introduced us to new concepts or theories that either validated or differed from the FOW XP theory of action. Based on our discussion of the partners' prospects for alignment with existing partners, we jointly discussed and decided if there were any adjustments needed to the FOW XP case for support and theory of action. During this process, I relied heavily on the principles of shared value (such as using an identified societal challenge that could be solved by employer partners who used their involvement as a business opportunity)-to achieve my goals of (1) communicating my understanding of drivers behind the potential partners' businesses, (2) ensuring that there was shared understanding of the value, (3) ensuring alignment of priorities and practices between New Profit and prospective FOW XP partners, and (4) agreeing on social impact goals with our partners.

I secured such a partnership with Southern New Hampshire University (SNHU). In conducting online research, I learned that SNHU had received a \$1 million grant from Google to develop technical solutions to assess soft skills. I reached out to the director of that initiative to learn more. From my interview with the director, I learned that they were

looking for ways to test their solutions. Based on this conversation, I offered a potential partnership with the FOW XP in which SNHU would be one of our assessment partners. The director was excited about the opportunity because it allowed SNHU to partner on an initiative that was a priority for their organization while leveraging their core competencies around assessments. SNHU targets low-income and nontraditional students; this allowed FOW XP to meet its DEI objectives, which resulted in shared value between the two organization and the initiative. Based on my conversations with SNHU leaders, I learned about the importance of entry-level employees' gaining credentials on the job that they could then use as proof of skills acquisition for future employment. These conversations alerted me to the power dynamics between employers and employees in which professional development is provided to address employer need and employees have little voice in the process (B. Flemming, personal communication, October 16, 2018). This conversation made me realize that for the FOW XP to be most helpful for the workers we aimed to serve, we would need to bring on additional partners that were respected in the credential arena and that the FOW XP initiative had to integrate additional ways for employees to understand and assess their soft skills acquisition beyond the hospitality company's metrics. The conversations also showed me that New Profit LTE had been disproportionately privileging the voice of employers in the FOW XP design and had not spent as much time considering the initiative's longer-term benefits for entry-level workers. I corrected this by intentionally identifying and seeking collaboration and design input from organizations like Generations, which have models that have shown promise in equipping low-income worker with skills in a learner-centered format.

Given the importance of the power dynamics discussed in the previous Review of Knowledge for Action (RKA) section and my commitment to ensure that diverse voices were heard as a part of the FOW XP initiative, I increased my efforts to engage partners who were outside of New Profit's predominantly white male network. I sought to include a more diverse range of thought leaders to build awareness for the FOW XP initiative and to build a cross-sector collaborative to support the initiative. In doing this I engaged with leading systems thinkers to present the FOW XP and our strategy so I could understand what additional voices were missing from the current FOW XP strategy. Through this process I identified that besides the lack of employee voice, we were also missing partners with proximity to entry-level and low-skilled workers and technologists from diverse backgrounds. Using our current partners and my personal network, I began reaching out to nonprofit organizations and individuals who could fill these gaps. Similar to the process I used to bring on supporters, I shared the FOW XP story, asked questions to understand the partners' perspectives, and communicated my understanding and interest in having specific partners come on board.

One of the key DEI principles referred to in both collective impact theory and "Unrealized Impact" research was the importance of diverse teams as part of a collective action effort. I tried to ensure that as an intermediary and backbone organization we were providing access to stakeholders with diverse voices and perspectives. I identified as potential partners several organizations that had a history of using low-income and entry-level workers in workforce development or technology. During my conversations with these potential partners, I invited them to get involved with the FOW XP initiative as advisors or challenge participants. The determining factor was whether the group had a

solution they thought would qualify for submitting to the FOW XP challenge. If applicable, I encouraged these organizations who had identified promising solutions to solve the skills gap problem to apply to compete for the FOW XP challenge when the competition was announced. If they were not interested in competing, I asked if they could serve as a thought partner and advisor to me as I continued to design and execute the FOW XP initiative. With an initial set of partners and a shared value proposition identified, my next step was to get everyone to commit to action.

Building a Process to Enable Collective Action

After embarking on points 1 through 4 on page 40 to develop a process to build shared value, I constructed a process to enable collective action during the second phase of my strategy. Through the process to build shared value, FOW XP had a broad coalition of partners with a stake in the future of work. The next step was to make sure that every organization's actions were aligned and building toward the bigger goal of closing the soft skills gap for low-income and entry-level workers by catalyzing a market around soft skills. To achieve this goal, I had to build a process in which all the organizations knew their roles and commitments and the group as a whole could articulate some shared principles of action.

The first explicit commitment I made as part of the process was that the New Profit LTE Team served as the backbone organization for the FOW XP initiative. A backbone organization is one that agrees to take a leadership role in pursuing a common agenda. We made it clear that New Profit would use its own monetary and employee resources and those of other partners to launch and manage the FOW XP initiative. We sought co-investors like the large philanthropic institution to fund the entire prize and

leverage our partners' expertise, but New Profit LTE was the daily orchestrator of the cross-sector collaborative. In leveraging the collective impact research, I knew that it was important to make this commitment explicit because a number of potential partners had questions about their required time commitment. Part of our named commitment was to ensure DEI principles were integrated into the FOW XP design (see Appendix A).

Based on collective impact theory, which promotes the structured collaborative action of a cross-sector group of actors aligning around a social problem, in the second phase, I led the process to develop the FOW XP impact measurement approach. Measuring impact was an important part of building collective action because it served as an indicator of progress toward the goal of equipping millions of Americans with soft skills. Measurement also served to hold us accountable to the sponsor who invested in the initiative. The goal was to leverage what we had learned from our interviews and negotiations with prospective partners to develop a shared understanding of how we approached measuring the impact of the FOW XP. Working collaboratively with our partners and New Profit employees, I developed a system measurement approach that detailed how we thought the FOW XP addressed the skills gap problem at a systems level and how we measured this impact.

Relying on the WSC framework, I conducted an analysis of the current soft skills workforce context to understand and account for the six systemic conditions (policies, practices, monetary resource flows and incentives, relationships and connections, power dynamics, and mental models) that I saw as posing real threats to FOW XP success. I took a workplace inventory of the six systemic conditions that I believed contribute to the skill gap challenge for each condition. As an example, in the relationships and

connections condition, I identified three significant dysfunctions preventing the adoption and incorporation of soft skills training in the workplace:

- The sector with the most knowledge of what's needed on the ground, employers, and especially managers don't tend to connect with the innovators and philanthropists.
- K–12 educators and postsecondary institutions often lack the flexibility, resources, and support to bridge the power skills gap on their own and are challenged to build and maintain business relationships.
- New Profit LTE Fund has not leveraged the thinking of diverse technical entrepreneurs who have proximity to low-income and entry-level workers.

After naming the external current system condition, I next outlined strategies that, executed through the FOW XP, aimed to replace existing dysfunctional relationships and connection patterns with more productive ones:

- Collaborate with a partner to provide a platform for innovators to interface directly with employers, managers, and employees.
- Connect New Profit K–12 and postsecondary networks to FOW XP's proven solutions and research (e.g., New Profit Reimagine Learning Fund, KIPP, New Teacher Center).
- Provide a platform (and capital) by which equity-focused and diverse innovators and solution providers can obtain access to employers.

Leveraging the WSC framework, I developed specific FOW XP strategies and tactics to address each of the six conditions. One strategy I devised to address the power dynamic and relationships and connections was to continue to engage partners (Year Up, City

Year, Grads for Life) with proximity to low-income and entry-level employees to test and validate the FOW XP strategy and to ensure that the voices of these communities are represented in all phases of the FOW XP. Once I had a draft of the conditions and targeted strategy solutions, I went through the exercise a second time with The Managing Partner to test and validate my thinking . It was during this process that we further refined the document and prioritized strategies and partnerships based on New Profit LTE fund capacity. Once we had a draft of the document, we shared it with our key partners to get their feedback, input, and agreement.

In an effort to ensure that we maintained our commitment to diverse voices, I took and maintained an inventory of FOW XP partners, noting how these partners self-identified in terms of race and class, if possible. I also sent research to the New Profit LTE Team showing that the soft skills gap was most severe for low-income and entry-level workers. I also flagged when team members veered from our commitment from diversity, equity, and inclusion.

In a team meeting I brought up how we could put structures in place to ensure that New Profit LTE operationalized our DEI principles. In my weekly meetings with my project supervisor, I noted when New Profit LTE team procedures and practices were serving as a barrier to including diverse voices. One example I pointed out to my Residency Supervisor and Partner at New Profit was that the “experts” we promoted as advisors to FOW XP were all white: thirteen white men and three white women. I also pointed out to my residency Supervisor and the New Profit LTE Managing Partner that a notable gap in our strategy was any connections to and relationships with entry-level

workers. I then integrated strategies in my shared value process to integrate more entry-level employees.

Finally, I drafted a strategy detailing the activities and ways of working for the FOW XP cross-sector collaborative. This document served as a road map and further solidified the collaborative's collective agenda to achieve systems change through the alignment of leading actors in the workforce ecosystem.

Garnering Sufficient Financial Support to Launch the Future of Work XPRIZE

The third and final phase of the project was to garner enough financial support from this group of foundations, corporations, and individuals to secure the \$12 million needed to fund the launch of the FPW XP. Based on what we had learned from our partners, I framed the fundraising pitch to foundations, corporations, and high-net-worth individuals in three ways: (1) providing a business case for participation, (2) detailing the societal goal, and (3) showing that their investment was a leveraged philanthropy because FOW XP would produce at least fifteen solutions as opposed to a 1:1 traditional philanthropic investment, where there one solution surfaced at the end of the funding. During the interview process, some organizations expressed interest in being formally involved in the initiative. Although we were far along in our conversation with the large philanthropic institution, the deal was not signed, so, with the help of the Managing Partner, I designed and shared the two points of engagement with interested parties. (1) naming sponsor and (2) banner sponsor. The naming sponsor would commit to giving \$6 million (\$1.5 million a year for four years) in exchange for adding its name to the FOW XP. The naming sponsor would be part of the steering committee that meets monthly.

They would be intimately involved in design work and included in quarterly meetings working with New Profit and XPRIZE on the strategy of the prize. The banner sponsor would commit to a four-year \$250,000 annual sponsorship of the prize. Banner sponsors would provide thought leadership and research and would validate promising XPRIZE solutions. It is important to note that in addition to the sponsor role, we considered all the people we interviewed who aligned with our shared value proposition as partners on the journey to codify and catalyze a market around soft skills. The difference between these partners and the sponsors were that sponsors received the media benefits from being associated with the prize and had a direct influence on shaping the FOW XP competition challenge design and strategy.

While the descriptions of the engagement opportunities were clear, in this third and final phase I had to close the deal, negotiating with partners on the specifics of how the prize would (1) meet the desired target audience of the potential supporter and (2) achieve social impact, as defined by the potential funder, in an agreed-upon time frame. During this final process, I made the case for shared value to confirm the partner's support by communicating my understanding of the integration of the FOW XP and their business model. My work during this final phase was intended to secure sponsorship commitment and monetary investment in the FOW XP.

Evidence to Date

In this section, I give an overview of the progress to date on the FOW XP initiative. The evidence table below includes outputs that feature documents and artifacts I produced as well as outcomes from the 10 months of residency work. In both the

appendix table and the following outline is the FOW XP theory of action as well as the progress made so far in terms of outputs and outcomes. The progress to date uses a scale of 1 to 3, with 1 meaning not met, 2 meaning in progress and 3 meaning met. Using criteria based on best practices from the creating shared value and collective impact frameworks in the Review of Knowledge for Action and the project financial goals, I developed the following criteria:

- 1. Shared Value
- 2. Collective Impact
 - Common Agenda
 - Shared Measurement
 - Mutually Reinforcing Activities
 - Continuous Communication
- 3. Sufficient Financial Support Raised (\$1 million goal)

The first body of evidence correlates to the first part of the theory of action: development of an effective process to build shared value. Once I had identified the value proposition, I needed to have the facility to articulate it to key stakeholders to obtain their feedback and ultimate agreement. As part of this body of work, I conducted informational interviews with thirty-eight potential partners, including seventeen employers, seven funders, two research partners, and twelve thought leaders, who represented ethnically and racially diverse technologists, low-income students, and workers to understand where their priorities and values aligned with the FOW XP. Following these conversations, I incorporated the lessons learned into 30 FOW XP partnership proposals. These proposals were presented to the prospective partners for review. The documents ultimately served

to clinch the partnership agreements. My progress scale shows that I met my goals for this body of work. This evaluation is based on the criteria by which we identified a business case for partners' participation and obtained their feedback and buy-in based on a shared understanding of the problem and shared vision for change. The final part of this body of work was to provide access to diverse voices. To support this effort, I interviewed ten organizations serving low-income and entry-level workers of color. I reached out to and sought partnership from five leading organizations that advocate for diversity in technology: Smarter in the City, Silicon Harlem, Digital Diversity Network, Black Battery Recharge, and Harlem Capital. Additionally, I interviewed 24 black women leaders in the philanthropic sector to understand the strategies they utilized to secure funding support for initiatives. Finally, I interviewed three leading African American and Latinx workforce technology investors. As a result of these efforts, New Profit LTE's partner networks and expert advisors list grew to include five new diverse partners, thereby breaking up the homogeneity of the list in terms of race, class, and socioeconomic backgrounds.

The second body of evidence concerns our efforts to build a process that enables collective action by providing access to diverse voices while collectively developing ways to measure impact. In doing this work, I led the process to develop the FOW XP measurement document collaboratively, with consultation from internal stakeholders: New Profit's research team, systems entrepreneurship team, funding partners, and XPRIZE initiative (Appendix C Measurement document). To date we have shared the document with four major partners. They have all approved the document and shared feedback on how it could be strengthened by adding specific activities. One part of the

work that we have yet to embark on is creating a structure for continuous communication, as recommended in collective impact theory. Although we have developed an engagement plan for the cross-sector collaborative to include quarterly update meetings, this work has not begun.

The final part of the theory centered on gaining sufficient financial support from funders, corporations, and high-net-worth individuals. When the FOW XP project was scoped, the goal was \$12 million; I was personally responsible for closing \$1 million of the total and cultivating a pipeline for commitments of \$2 to \$2.5 million to fully fund the initiative. This goal is currently in progress. We have secured \$4.5 million in funding so far, and New Profit LTE is in three late-stage conversations with two funders, each at the \$1 million level, and one sponsor, at \$6 million, to fully fund the FOW XP. All three partners have agreed to submit the FOW XP to their boards for sponsorship approval.

The evidence of progress to date shows that New Profit is well positioned to successfully launch the cross-sector collaborative that is the FOW XP. In the next section, I share a nuanced analysis that explains the project outcomes to date.

Evidence Table

Theory of Action “If” Statements	Progress to Date 1 - Not Met 2 - In progress 3- Met	Major Results
If I can develop an effective process to build shared value by (a) understanding the shared value of the FOW XPRIZE initiative (b) communicating this understanding and receiving feedback from key stakeholders, and (c) negotiating and garnering agreement	2- In progress	<ul style="list-style-type: none"> - Interviewed 17 employers, 7 funders, 2 research partners, and 12 thought leaders representing diverse technologists, low-income students, and workers to understand where their priorities and values aligned with the FOW XP - Interviewed 24 black women philanthropic leaders on the strategies they employed to build support for their initiatives. - Interviewed ten organizations serving low-income and entry-level workers of color - Reached out to and sought partnership from leading advocates for diversity in technology - Interviewed three leaders in education technology investing - Incorporated this feedback into 30 funder proposals and presented these to the prospective partners for feedback
Build a process to enable collective action by <ul style="list-style-type: none"> - Providing access to diverse voices and - Collectively developing ways to measure impact 	2 – In progress	<ul style="list-style-type: none"> - Led the process to develop the FOW XP measurement document developed collaboratively with consultation from New Profit’s research team, systems entrepreneurship team, funding partners, and XPRIZE - Received feedback and approval from three partners on the document. - Internally flagged, when LTE team was not meeting its commitment to DEI principles through the FOW XP - Developed an engagement plan for the cross-sector collaborative to include quarterly update meetings. This work has not begun. - Engaged partners on a quarterly basis in the form of update calls and email reports
Garner sufficient financial support from funders, corporations, and high-net-worth individuals	2 – In progress	Out of the funders engaged there are two prospective partners, with whom we are in serious talks about a financial commitment.
THEN New Profit will better position to launch FOW XP with a cross-sector collaboration and necessary monetary commitments.	2 – In progress	New Profit LTE has 12 partners that include funders, researchers, employers, and technologists that have committed to supporting the XPRIZE initiative.

ANALYSIS

Analyzing the Future of Work XPRIZE

In analyzing my work on the FOW XP, I will use the *Water of Systems Change* (WSC) Framework. As noted, *The Water of Systems Change* outlines six interdependent conditions that foundations should address when attempting to solve long-standing, seemingly intractable social problems (see Figure 2): policies, practices, resource flows, relationships and connections, power dynamics, and mental models. The authors' framework attempts to make visible how the systems conditions function interdependently. The authors note that these conditions play out externally in the world as well as internally within foundations at three levels, ranging from explicit (i.e., policies include laws that govern our society; practices are the social norms; resources are the assets of the community, including knowledge and money) to semi-explicit (i.e., relationships between the actors in a system; power dynamics include decision-making authority along with formal and informal influence) to implicit (i.e., mental models that include deeply held beliefs and ways of thinking). The explicit conditions are structural changes, while the implicit conditions are described as transformative changes that lead to systems change (Kania, Kramer, & Senge, 2018).

The WSC framework posits that in order to achieve systems change, an initiative must attune to and address all three levels represented in the framework. It is important to note that the long-term impact of a systems-change initiative can take place over a period of five to seven years (J. Kania, Personal communication, February 6, 2018). I selected the WSC framework because it is a tool that philanthropies like New Profit can use to

organize and assess their strategies in service of systems-change efforts (Kania, Kramer, & Senge, 2018).

In my time leading the FOW XPRIZE initiative, I realized that achieving our original goal—to align employers, funders, researchers, and technologists around a shared future of work agenda centered on scaling soft skills—was only the first step in a much more elaborate process to achieve systems change. On a fundamental level, I knew additional steps would be necessary beyond the launch of the FOW XPRIZE; however, the New Profit LTE team and I lacked a clear, concrete vision of how we could enact systems change over time outside of the XPRIZE. Indeed, my review of systems-change literature raised my awareness of the impact and centrality of organizations' internal processes in attempting to enact and leverage systems change for intractable social problems (Kania, Kramer, & Senge, 2008). Despite this awareness, I see, upon reflection, my bias toward explicit structural or process changes (i.e., practices and resource flows) and tendency to ignore implicit transformative changes (mental models and power dynamics). My lack of attention to implicit transformative changes meant that although we did the work to align a group of actors around a shared Future of Work agenda, we were not able to change narratives around why a focus on low-income workers and diversity were essential, which we needed to do to make FOW XP a systems-change initiative (Kania, Kramer, & Senge, 2008).

In the sections that follow, I will analyze my efforts via the FOW XP, using the WSC framework, to (1) develop a process to build shared value, (2) build a process to enable collective actions, and (3) gain sufficient financial support from foundations, corporations, and high-net-worth individuals to fund the FOW XP initiative. In

examining these efforts based on the WSC framework, I note the conditions effectively addressed as part of the process, and what conditions could have been better addressed, in order to truly make FOW XP a systems-change initiative.

1. Evaluating the Process to Build Shared Value

Here, I use the WSC framework to analyze my process in developing shared value among key stakeholders. I will focus on the practices, relationships and connections, power dynamics, and mental models conditions. Shared value is a prerequisite to systems change because it involves centering on a value proposition or problem of practice that is held in common by the actors in any given system. To build shared value we need to employ practices and relationships that build cross-sector coalitions, engage affected communities in shaping solutions, and bring an equity lens to the work (Institute for Strategy and Competitiveness, n.d.). Though I was able to build a cross-sector collaborative, I fell short in engaging affected communities and implementing an equity lens. Without engaging affected communities and implementing DEI practices, we weren't able to change mental models, and so we fell short overall.

In the course of this process, I completed three critical actions required by the WSC framework that shaped New Profit LTE's success in this regard: an intentional partner identification process; an intentional relationship-building process, which included learning components and stakeholder interviews; and an invitation to join the equitable partnership. These actions align with the practices and relationships and connections conditions of the WSC framework and are critical elements for systems change (Kania, Kramer, & Senge, 2018). Indeed, my shared-value approach served as an

attempt to change how the cross-sector group of stakeholders in the FOW XPRIZE traditionally related to one another while it implemented a new practice of elevating the group's common shared value above any individual actor's goals. The WSC framework emphasizes the importance of the practices and relationships and connections conditions, as they form the basis of working dynamics between partners, thus creating healthy (or unhealthy) working relationships (Kania, Kramer, & Senge, 2018). As noted in the evidence section, we leveraged shared value to create buy-in and support for a common FOW XP agenda. Indeed, we saw the beginnings of positive relationships reinforcing the initiative's goals, but it may be years before systems-change impact is visible. The WSC framework is useful as a tool to evaluate the extent to which foundational systems-change elements are in place.

Next, I discuss what the WSC framework describes as power dynamics: the decision-making power and authority among individuals and organizations and mental models that express deeply held beliefs about how the world operates (Kania, Kramer, & Senge, 2018). Though we successfully aligned stakeholders on shared value and reflected on our own power dynamics among New Profit LTE and partners, we did not take into account the impact of power dynamics between our \$6 million naming sponsor and other partners who contributed less. These power dynamics led to a hierarchical prioritization of partners based on their sponsor potential. In negotiations, sponsor prospects regularly asked how much control they could exert over the FOW XP's design. One prospective naming sponsor, for example, saw the affiliation with the FOW XP initiative as a way to promote her research agenda, saying, "It would be great if our research helped inform the prize."

Perhaps even more important, we did not consider how the voices of our diverse constituents—entry-level and low-income employees—were marginalized by the power dynamic that emerged from the sponsorship hierarchy we created. While these employees were the intended beneficiaries of FOW XP, their preferences and ideas were not incorporated into the initiative design, which resulted in an initiative that acted upon them instead of with them. Therefore, New Profit LTE reinforced traditional power structures in which more affluent or heavily resourced partners had an outsized impact, which ultimately created a barrier to systems change.

Our internal team dynamics also reflected traditional power structures. For example, the New Profit LTE Managing Partner selected the list of expert advisors we promoted as part of the FOW XP without consulting the team or making his selection criteria visible. His leadership style left little room for meaningful contributions from subordinates to the decision-making process. Thus, because we did not do the work to address these dysfunctions within the team, we had less understanding and urgency to systematically address them in our external work with FOW XP. For example, we had the above-mentioned sponsor who, it turned out, had practices that ran counter to New Profit's approach, but we never stopped to think about that because we had never done the exercise of surfacing what mental models of good practices were. As a resident, I didn't feel empowered to prioritize the upheaval of power dynamics and the focus on shared mental models on the New Profit LTE team that allowed these power dynamics to exist between partners. This practice of surfacing of beliefs or models, if successful, could have been an opportunity for New Profit LTE to operationalize an activity within the organization that is supposed to disrupt power dynamics that prevent sustained

systems change (Kania, Kramer, & Senge, 2018). Indeed, as the WSC framework notes, “funders cannot support efforts that run counter to their own mental models” (Kania, Kramer, & Senge, 2018, p. 5).

2. Evaluating the Process to Enable Collective Action

The WSC framework says effective systems change requires transforming relationships and connections and balancing the power dynamics that that underpin the relationships. The authors note that this goal can be achieved through relationships that include a strong cross-sector collaboration and power dynamics that privilege collective decision-making practices, engage affected communities, and integrate an equity lens (Kania, Kramer, & Senge, 2018). As previously illustrated, creating a cross-sector collaborative that elevates diverse voices in the context of the FOW XPRIZE aligns with the WSC framework’s relationships and connections and power dynamics conditions (Kania, Kramer, & Senge, 2018). It was crucial to attend to these two conditions for the long-term success of our initiative because, based on the WSC framework, several actors must work together to unstick an intractable problem (Kania, Kramer, & Senge, 2018).

I initiated three key actions in this process that affected my ability to enable collective action: (1) relationships: designing a process based on collective impact theory; (2) integrating DEI principles into the process; and (3) developing a means to measure the FOW XP’s collective impact. Although I initiated the actions, I failed to convince all team members that they were critical to the success of the FOW XP initiative, and thus the activities were not consistently prioritized. I did not have the positional authority to

enact a system that would add accountability measures to the usage of the principles. For example, in preparing to meet with a potential sponsor, we discussed what aspects of FOW we would present. When the DEI principles came up, the Managing Director said, “ I am not sure we should mention DEI. I don’t know if [sponsor] cares about it.” I realized in that moment that, while I saw DEI as a critical component to FOW XP, all the team members did not agree. Without the support of the senior leader of the team, DEI literature says that the use of the DEI principles within an organization would be temporary at best (Padamsee & Crowe, 2017; Russell, 2017).

We came to value the outcome of launching the FOW XP initiative more than the process of enabling collective action. This approach directly conflicts with systems-change theory, which values equity of voice and an agreed-upon common agenda that benefits all actors, and so our attempts to enact the second part of the theory of action—building the process to enable collective action—were unsuccessful. New Profit had begun working on this initiative two years before I arrived, so there were internal pressures to launch the prize. I often heard people question whether the prize would ever launch. These questions led us to prioritize relationships and activities that brought in money, thus tilting the power balance to those who could contribute financially to the prize, as noted previously. In the analysis below, I share how and why this played out, as reflected in the team’s decision-making.

Designing a process based on collective impact theory. The second component of the theory of action was to build a process to enable collective impact. Kania and Kramer’s collective impact theory identifies five conditions that make for a successful collective action initiative: a common agenda, a shared measurement system, a mutual

reinforcement of activities in which the participating parties hold each other accountable for key deliverables, constant communication, and dedicated backbone support (Kania & Kramer, 2011). As described in the evidence section, we used a process to develop shared value that served to concretize our common agenda, solidify New Profit LTE as the provider of backbone support, and enable continuous communication between all members of the FOW XP initiative.

On paper our collective impact process was sound, but ultimately it lacked depth. In other words, we failed to build the kind of deep-rooted connections the WSC framework requires for effective collective action. Specifically, we needed to build trusting dynamics with stakeholders, focusing on the “quality of connections and communications occurring among actors in the system, especially among those with differing histories and viewpoints” (Kania, Kramer, & Senge, 2018, p. 4). This trust never developed. Indeed, some partners lacked the confidence to commit to an initiative that would not see results for a few years, unwilling to take this risky bet. This resulted in our inability to raise the money to completely fund the prize.

As for partners who did commit to the initiative’s long-term goals, we failed to establish strong connections with them. For example, we never developed an occasion to convene all the partners for mutually reinforcing activities such as co-investing or collaborating in marketing or research to elevate awareness of their participation in the FOW XP; therefore, the partners never had an opportunity to build mutual trust and alignment. We missed the opportunity to regularly bring partners together and reinforce the relationships and connections between them (Kania, Kramer, & Senge, 2018). We planned to convene the actors when the prize launched, but in hindsight, we missed the

value of having the partners collaborate throughout the process. At the time, it made sense to convene partners only during big moments such as the launch. We did not realize that bringing all stakeholders together while building shared value and enabling collective action was just as important—that the process of building the collective is itself the systemic change. We thought we were trying to change how key actors work together to address the skills gap issue, but our lack of communication became a barrier to this goal. Building the collective with strong relationships would have aligned people across sectors and backgrounds on a common goal to address the skills gap, thereby spreading the word and creating a larger network for this initiative.

Due to my own and New Profit LTE's limited attention to the quality of partner relationships and the lack of communication between partners, we missed the opportunity to (1) leverage the strength and synergies that come from bringing partners together; (2) support and reinforce Walmart's work with the Retail Opportunity Network, which complemented FOW XP; and (3) increase the profile of the FOW XP initiative among employers outside the New Profit LTE network. Creating strong connections would have allowed the initiative to branch out and serve the goal of larger-scale change. Failure to establish connections resulted in failure to create a network, which meant that FOW XP operated essentially in isolation, which is in direct conflict with how systems change occurs. As mentioned previously, the WSC framework is based on the need for several actors to work in concert to unstick a problem. Without a focus on relationships and connections or on ways to structure communication between partners, New Profit LTE missed the opportunity to create a network of support and was left with partners in name only.

Integrating diversity, equity, and inclusion principles into the process. As noted, New Profit LTE has an articulated DEI commitment (Appendix A). I used DEI principles as a guide when identifying and evaluating FOW XP partners, but not all team members applied DEI principles in all aspects of the design and decision-making processes for FOW XP. When I started with New Profit in July 2018, despite my efforts to ensure that DEI principles were integrated into the FOW XP design FOW XP advisors were mostly affluent white men, and only three of the sixteen advisors were women. One reason my efforts were not successful was that they would have required that New Profit LTE challenge existing practices and power dynamics in the philanthropic sector while simultaneously appealing to the sector for financial support. For example, the primary reason the “expert” advisors were selected was because of their name recognition and credentials and what those demonstrate to the individuals in philanthropy (K. Greer, personal communication, March 22, 2018). In this case the decisions about which voices to elevate and highlight were tailored to the organizations and individuals at foundation organizations that we were approaching for funding support. There was a desire that our advisors “seem impressive” to those philanthropic decision-makers, who were largely white men.

It is important to note that New Profit LTE’s issues with incorporating DEI principles were not due to lack of exposure to diverse voices. Indeed, in the two years New Profit LTE had spent learning about the skills gap challenge, the organization conducted one-on-one meetings and convenings with more than 300 individuals representing diversity across industry (K–12 and postsecondary education, technology, and employers), race, gender, and socioeconomic backgrounds. Nonetheless, the final list

was narrowed to a homogeneous group of sixteen, with no variety in race or class and no direct proximity to the low-income and entry-level workers we aimed to serve. This surfaced a disconnect between New Profit LTE's espoused values and the ones it operationalized. In instances where decisions or activities were proposed that ran counter to our DEI commitment, I would bring it to the team's attention. Each time, the team would acknowledge the disconnect and choose an action aligned with New Profit LTE's DEI commitment.

How could New Profit LTE have a written commitment to diversity and buy-in from all team members and yet make decisions that went against its stated DEI commitment? The WSC framework notes that mental models are “habits of thought—deeply held beliefs and assumptions and taken-for-granted ways of operating that influence how we think, what we do and how we talk” (Kania, Kramer, & Senge, 2018, p. 4). Mental models, according to the WSC framework, constitute one of the six systemic conditions (see Figure 2) that pose the most difficult challenges and threats to achieving systems change. Of all the conditions in the framework, mental models are the hardest to both identify and change because they are implicit by nature and they embody a person's beliefs (Kania, Kramer, & Senge, 2018). In New Profit LTE's case, I argue that integrating DEI into every decision was not a habit, and therefore we saw inconsistencies in its application. The WSC framework advises that for the DEI to be operationalized, there would need to be a change in narrative around who New Profit LTE considered an expert, which would necessitate a change in New Profit LTE team members' mental models, including habits of thought and deeply held beliefs. This shift in the mental models condition did not happen during my residency.

So, how can New Profit LTE change mental models in the field without changing its own mental models around expertise? We failed to elevate diverse voices because we couldn't change our mental models of what defines expertise and how it should be represented. For example, when I introduced diverse FOW XP advisors and thought leaders to present at conferences and to sponsors, only a curated list of five white male advisors were chosen for these roles, which shows the kinds of people New Profit LTE elevated to the level of advisor and expert. All these experts were associated with elite institutions and were wealthy, and we used them because they had name recognition with the equally powerful, elite, pedigreed sponsors we were securing. By not integrating DEI principles as a practice, we missed including the perspective of an expert who had proximity to and credibility with low-income and entry-level workers.

Our misstep also contributed to the prevailing U.S. power structure in which white men with elite credentials shape policy for vulnerable people. Indeed, New Profit LTE also missed its opportunity to add a contrasting narrative from diverse expert voices. The authors of the WCS framework note that “changing mental models often means challenging power structures that have defined, influenced and shaped those models historically and in the present” (Kania, Kramer, & Senge, 2018, p. 6). By not addressing mental models, we failed to consider how our decisions could perpetuate a system that reinforces inequity. Ultimately, while we were committed to DEI principles, we rarely talked about them in the midst of our work and had no means to measure how effectively we were implementing them.

Developing a means to measure collective impact. Developing measurements to assess impact proved to be transformative for the work of the FOW XP. I led a

collaborative process to create the FOW systems-change evaluation process with the Managing Partner of New Profit LTE and New Profit's director of evaluation in consultation with John Kania, co-author of the WSC framework. Together, we transformed a one-off prize initiative into a FOW XP systems-change strategy. As part of this work, we developed strategies to measure how we addressed the six conditions of the WSC framework. The measurement process allowed us to understand the conditions that held the skills gap in place, thus leading us to realize that the launch of the FOW XP alone was not enough; for true systemic impact, we would need to forge a collaborative.

Upon reflection, it would have served us well to incorporate these measurement strategies earlier in the process. Although measurement was important to our partners, we did not take the time to concretize our plan until five months into my residency, when a partner asked for our measurement approach. Our team's focus on the immediate task of fundraising moved measurement strategies down the list of priorities. This illustrates a component of the WSC framework, in which a singular focus on one condition without addressing others can result in keeping a problem in place. A weak point of our measurement strategy was the lack of a mechanism to show how FOW XP built on its partners' individual efforts to achieve systems change. This, too, can be attributed to our mental models about how we understood the change would occur: we assumed we should raise money first, then implement the strategies of the FOW XPRIZE initiative. Thus, we did not feel the need to align our strategies with the WSC framework from the beginning. Had we done so, we would have identified (1) resource flows: associated time and costs; (2) practices: the desired activities of the employers and innovators; and (3) relationships:

how these activities were supposed to lead to our ultimate outcomes of closer collaboration between employers and innovators.

Because we assumed we could finalize the prize strategy and overall systems-change strategy after the prize was funded, I spent 90% of my time in partner interviews and drafting partnership proposals, which left little time for me to consider how the collective would work collaboratively. In retrospect, had we shifted our focus from structural resources and practices to activities that would lead to transformative changes in public narrative about the skills gap, we could have created a positive narrative around the necessity of soft skills, which could have led to increased fundraising and buy-in.

Furthermore, the lack of a coherent strategy for how specific individual activities connected to lead to the desired systems change caused prospective partners to decline to support FOW XP because they questioned the viability of its strategy. New Profit LTE's leadership could not break its own mental model, which assumed that change could happen only through monetary means. This is an important insight because both the WSC and collective impact theories address how resources affect change but do not consider the role money plays in facilitating this change. In hindsight, I realize that my project and the process to enable collective action would have been more successful if I had more accurately factored in and accounted for the impact of the fundraising process. I tried to balance the need to obtain partners who had the money to sponsor the prize with the need to find partners who fit the collaborative but could not commit money. Ultimately, however, I could not strike a balance without detriment to the project launch; if we did not have enough partners who were contributing financially, the prize would not launch. Thus, I had to prioritize the partners who were able to write sponsorship checks.

3. Garnering Sufficient Financial Support

I completed two key actions that shaped my success in winning financial support: (1) developing fundraising goals that operationalized sponsor cultivation and management and (2) enabling an ongoing learning agenda that captured and integrated each potential stakeholder's motivation for or against sponsorship. Per the WSC framework, this requires skills in partner negotiation, relationship management, and shifting mental models and organizational structures to accept different types of capital from nontraditional partners. Fundraising is considered in the WSC model as an element of systems change insofar as it enables resource flows and cross-sector relationships and connections to address the core problem, these being two of the six elements of systems change in the WSC framework. The framework also urges practitioners to be aware of “resource flows that benefit those with social capital and content expertise more than those with direct experience and context expertise” (Kania, Kramer, & Senge, 2018, p. 10).

Fundraising goals, sponsor cultivation, and management. When negotiating my residency project with the Managing Partner, we agreed that I would close \$1 million in funding while cultivating a pipeline of commitments of \$2 to \$2.5 million to contribute to the total needed to fund the initiative. We worked collaboratively to develop a sponsor prospect in which we noted the sponsorship potential of each funder to ensure that there were sufficient prospects to fill the commitment pipeline. This process worked well because it was collaborative rather than top-down, and it created a detailed artifact that can be used and applied to other New Profit LTE projects.

Additionally, this process succeeded because of the operationalization of the sponsor cultivation process. As I was the only person on the team managing 30-plus relationships, it was critical that I systemized the cultivation process to include identification, outreach, and commitment. The systemization allowed us to maintain continuous conversations with sponsors and to respond to their questions in a timely manner, which helped sponsors move our support request through their internal channels. This is critical because on average the cultivation of sponsorships took 3 to 5 months, and any time-related inefficiencies would have risked jeopardizing my goals. But it left little margin for error in timing and cultivation. As previously illustrated, it also forced me to prioritize the fundraising aspect over other partnership goals because it was the only one for which the project sponsors were measuring my progress. In the short term, it helped me meet immediate financial needs, but it also contributed to the initiative's dysfunctions.

Ongoing learning agenda. Early on in my residency, I established a process to enable an ongoing learning agenda that captured and integrated each potential stakeholder's motivation for or against sponsorship. For me, this allowed fundraising to become more than a technical quantitative exercise because I measured success not just by dollars raised but by how much we learned in the process.

I led our team's 30+ actively managed sponsorship conversations, of which only three (10%) have expressed a desire to sponsor. If success had been measured by fundraising alone, the experience could have been discouraging. Implementing a learning orientation turned what could have been a mere transaction into a learning opportunity. This is important because even when potential partners declined the partnership, they

asked us to stay in contact. In fact, eight partners were not a fit for FOW XP but were aligned with other New Profit LTE initiatives. By viewing the initiative from a learning perspective, I led the team to tease out shared value for other parts of New Profit LTE work and, in the process, we solidified more than a dozen new relationships, with the opportunity to collaborate in the future.

IMPLICATIONS

Implications for Site

Similar to the implications for my leadership as a whole in terms of internal work and self-awareness, I offer a similar recommendation for New Profit LTE. One of the key elements of the FOW XP theory of action was to build processes to create shared value and collective impact. In tandem with this theory was New Profit LTE's desire to find the intersection point of its values and those of potential collaborators. Thus, it was crucial for New Profit LTE to be clear on its own values around the FOW XP. New Profit LTE espoused values around advocating for low-income and entry-level workers. To support this, the theory of action included privileging the voice of the collective and integrating DEI principles into systems-change initiatives. New Profit LTE, like many other organizations, has encountered challenges when trying to operationalize these values. To address these challenges while building shared value and enabling collective impact, I put forth three recommendations around relationships and connections, best practices, and resource allocation.

A collaboration is as only good as the strength of its relationships. Kania, Kramer, and Senge (2018) describe relationship and connection as “the quality of connections and communication occurring among actors in the system, especially among those with differing histories and viewpoints” (2017, p. 4). Indeed, it will be imperative for New Profit LTE to codify its definition of effective partnerships. Underlining the spirit of shared value and collective action is the assumption that all involved partners are equally valued and that both the work and its rewards are distributed equally among them. As it stands now, without an idea of what a strong partnership should look like, New Profit

does not have a way to assess whether a partnership is truly effective. Based on New Profit LTE's goals and values, its assessment of partnerships should include ensuring that these relationships should capture principles of DEI. Perhaps most important, the organization should establish that each partner is truly integrated into the fabric of the FOW XP initiative. This means going beyond accepting sponsorships checks and issuing quarterly reports and working to establish trust and effective dynamics with partners. If the New Profit DEI principles become a lens through which everyone on the team assesses partnership material, New Profit and LTE will be able to live up to the true tenets of shared value and collective action, and in the process, close the gap between its espoused values and operationalized values.

An organization's values can be reflected in its practices, which are "the espoused activities of institutions . . . targeted to improving social and environmental progress . . . and the procedures, guidelines, or informal shared habits that comprise their work" (Kania, Kramer, & Senge, 2018 p.4). New Profit LTE needs to take stock of its standard practices and norms to determine which truly align with sustaining shared value and collective impact. In this capstone, I have raised concerns that the organization's inconsistent adherence to its named diversity, equity and inclusion principles and team dynamics have led to the sabotage of activities meant to increase diverse representation in the FOW XP initiative. The firm commitment to DEI we started with was pushed aside due to time constraints and prioritizing fundraising above all other activities. Because I spent 90% of my time fundraising, I had little time left to integrate diverse voices into the structure of the project. Indeed, in my weekly FOW XP operations meeting, I was never asked to report my progress on integrating these voices. Our intense focus on funding and

resources caused us to neglect the crucial component of diverse voices that lead to systems change.

Additionally, the prioritization of fundraising set up an ethical dilemma. In the analysis section “Integrating Diversity, Equity, and Inclusion Principles into the Process,” I wrote, “It was my experience that the decisions that got made about which voices to elevate and highlight were, in this case, tailored to the organizations and specific individuals at foundation organizations that we were approaching for funding support. There was a desire that our advisors ‘seem impressive’ to those philanthropic decision-makers, who were largely white men.” Appealing to the philanthropic sector could result in New Profit LTE making itself subject to an individual foundation’s views on DEI, which potentially sets up an ethical dilemma. What if a foundation that New Profit applies to for funding does not believe in the importance of diverse voices? Should New Profit LTE still take their funding? Or should New Profit decline funding from foundations that do not align with its DEI principles? Ethically, what does it mean for New Profit LTE not to remain consistent on its DEI principles, highlighting them only when it is to the organization’s advantage? New Profit LTE must grapple with this issue because it has implications for the entrepreneurs, for New Profit Funds, and for deciding which projects are worthy of prioritization. It also has implications for culture and staff productivity when employees see the organization’s value proposition and messages as inconsistent.

These are examples of situations in which New Profit LTE would benefit from re-evaluating its activities and norms to ensure that they are advancing systems change rather than propping up current systems of oppression. Furthermore, New Profit LTE

must grapple with the funding issues in an effort to close the gap between its espoused values and the operationalized values.

Finally, New Profit LTE should take a look at its prioritization of resources. The Managing Partner and I were the only two New Profit LTE resources on the FOW XP project. While I worked on the project full-time, the Managing Partners spent 20% of his time on it. All the while, New Profit LTE was working on three other systems-change activities simultaneously. Due to lack of resources, the FOW XP did not achieve the scope the Managing Partner or I desired, which hampered the quality of connections between partners as we grappled with conflicting priorities. The implication is that New Profit LTE should adequately resource both money and people in its systems-change initiatives if it hopes to realize that change. For example, we wondered whether to focus on fundraising or codifying our strategy based on partner feedback, but both activities are critical to the FOW XP's success, and neither should have been viewed as negotiable. In essence, the New Profit LTE team liked focusing on multiple high-profile initiatives at once to see which would be the first to receive funding. I recommend focusing on two or three initiatives that have the most promising potential and allocating resources for these rather than spreading resources too thin.

The teams' practice of prioritizing funded projects also demonstrated a reliance on funder validation versus taking guidance from New Profit LTE constituents—especially those who are the purported beneficiaries of the team's work. For instance, we used temporal and monetary factors to determine which initiative to pursue (in other words, we prioritized the initiative with the most funding). However, funding and time frame may not be accurate measures of an initiative's value. In fact, they are subjective at

best because they depend on power dynamics, as discussed previously in this section. “The powers that be are often advantaged in defining the public narrative (i.e., history is written by the winners), this reinforces their power and status quo,” and “funders also often embody traditional power dynamics based on wealth, race, gender, and status, which can limit their ability to support deep inquiry into such conditions externally” (Kania, Kramer, & Senge, 2018, 5). In other words, people in power may not see or feel the impact of a condition or problem; thus, they may not understand its severity or the critical importance that it be solved. Therefore, waiting on funding approval as an indicator to act on a social problem may mean that the problem is never solved. If activists had waited for funding from the government or high-net-worth individuals to act in the civil rights movement, Blacks might still be waiting for equal rights today. Just as it was in the 1960s, today 90% of foundation CEOs are white and privileged, with little proximity to the problems facing low-income Americans (DiAngelo, 2017; Villanueva, 2018). It is imperative to recognize that in using funding as an indicator of an initiative’s value, we are waiting for the approval of leaders who may have no concept of the severity or urgency of the problem. To combat this, New Profit LTE needs to devise a prioritization system where money is one element of many that determine the value of an initiative.

To continue to build the container for systems change, New Profit LTE will need to start by considering multiple criteria in addition the financial. It is not an either-or proposition but a both-and one. New Profit LTE must acknowledge that sustainable systems-change work can only be achieved by addressing the six conditions in the WSC framework. We only have to look at Mark Zuckerberg’s \$100 million investment in

Newark public schools to see that money alone is not enough to solve deeply entrenched social problems. New Profit LTE might look at raising the money to launch the FOW XP as technical challenge and the adaptive internal work as the collective systems change.

Funders cannot support efforts that run counter to their own mental models. The implications of this are daunting. To fully embrace systems change, funders must be prepared to see how their own ways of thinking and acting must change as well. (Kania, Kramer, & Senge, 2018, p. 5)

My recommendations will help New Profit build a container for systems-level leadership internally. Though much of New Profit LTE's success has been due to its entrepreneurial nature in quickly taking advantage of opportunity and raising money, money raised is just one component of the initiative's sustainable success; five other conditions must be accounted for as part of the WSC framework. New Profit LTE must build trusted relationships and connections internally and externally that account for the impact of the other conditions and acknowledge that a solely finance-based approach might, in the end, impede systems change. As one of the diverse interviewees said, "I don't want to be invited to the table as a token. I want to be a thought partner, and I want decision-making power." All in all, New Profit LTE will need to continue to address expectations around quality and depth of its partnerships as it looks to build a container for systems change.

Implications for Sector

Throughout my work as a nonprofit leader, doctoral student, and now resident at New Profit, I have continued to hear the need for leaders to address systems change at scale. Systems change seems to be both the goal and the measure of any social impact initiative. While this might be the aim, there seems to be a lack of acknowledgment of the

complexity of solving a problem, as this capstone demonstrates, where we as philanthropists may have contributed to and are implicated in the status quo.

Burton and Barnes (2017) say that systems change can only be achieved when individuals and organizations agree to change, and it will come at an expense: “Time, resources, reputation, and relationships all require adjustments and sacrifice as we move from charitable giving to a justice-based framework of philanthropy (Burton & Barnes, 2017, 7 b). The implication is that there is a need to risk “relationships, resources, and reputation,” which most folks are not willing to do (B. Barnes, personal communication, February 16, 2018). To have a chance to address systemic issues, the philanthropic organization will need to take a risk to reorient itself in relation with the communities it serves.

It is in this spirit that I offer implications for the philanthropic sector in two critical areas around shared value, collective impact, and grantmaking that will allow a shift from charity to justice as the sector begins to embrace systems change as the ultimate goal.

First, I find that the implications are congruent philosophically with those of Burton and Barnes, who advise that for philanthropy to achieve shared value and collective impact, it must move from a paradigm of charity to one of justice (Burton & Barnes, 2017). In other words, it has to move from a paradigm that emphasizes “alleviating immediate suffering and filling gaps” to one that frames the solving of seemingly intractable social problems and the historical context within which they are situated, and investments must be made with a goal of systems change (Grossman, Appleby, & Reimers, 2013).

In this way, philanthropy begins to shape and frame its work in a manner that:

1. Underlines why shared value is imperative for fostering productive relationships in systems-change work.
2. Acknowledges the implicit collective nature of the work to correct relationship imbalances, in which people who traditionally have held the power have contributed to the problem and continue to benefit from its seeming permanence.

Based on my systems-change work on the FOW XP and on an expansive definition of systems change, I recommend that the sector do the following:

- Diversify leadership. Foundations must be attuned to the implications and impact of all-white leadership as it relates to power dynamics. As Kania, Kramer, and Senge (2018) wrote, power dynamics are “the distribution of decision-making power, authority, and both formal and informal influence among individuals and organizations” (Kania, Kramer, & Senge, 2018). The philanthropic sector must grapple with the implications of the fact that 92% of foundation CEOs identify as white and 89% of foundation boards identify as white (DiAngelo, 2017). The sector must understand the historical and current implications of this lack of diversity on grantmaking and problem-solving. The sector also must acknowledge its wide-reaching influence on the social sector writ large and the accompanying responsibility. One example of a funder acknowledging their field influence is Kapor Capital. Kapor Capital is a venture capital investment firm. In 2016, Kapor Capital published its Founders Commitment that outlined four DEI actions that all the entrepreneurs and companies they invest in would have to agree to. They included (1) establishing company DEI goals along with quarterly progress

reporting; (2) investing in people, operations, technology, and training to mitigate bias in the employment life cycle; (3) creating employee volunteer programs in underrepresented communities that represented their customer base; and (4) attendance at Kapor Capital–hosted DEI trainings (The Kapor Capital Founders’ Commitment, n.d.). These actions fit squarely into the WSC framework’s practice and relationships, and they have had a dramatic impact on Kapor Capital’s investment portfolio. At the launch of Kapor’s “Founders’ Commitment,” all 69 of the companies they invested in committed to taking these actions. Today, 56% of Kapor Capital’s investors have a founder who is from an underrepresented background and 28% of their first-time investors have a founder of a racially underrepresented background. Additionally, two thirds of Kapor Capital’s investment team come from underrepresented backgrounds. Thus, Kapor Capital is keeping to its own DEI commitment and leveraging its influence in a sector to encourage other companies to do the same (Kapor & Kapor, 2016). Kapor Capital’s work on its internal practices while leveraging its influence in the sector is a promising practice that could be a role model for others and lead to more equitable outcomes in the philanthropic sector.

- *Focus on changing mindsets.* Even well-intentioned actors are hard pressed to notice the power dynamics and mental modes at play that might disadvantage certain groups, their leadership styles, and ways of working. “Funders cannot support efforts that run counter to their own mental models. The implications of this are daunting. To fully embrace systems change, funders must be prepared to see how their own ways of thinking and acting must change as well” (Kania,

Kramer, & Senge, 2018, 5). The philanthropic sector must own its influence and impact on decisions that get made about which voices to elevate across the sector. There is an opportunity for the sector to use this influence and make equity and DEI a requirement for funding. In philanthropy, terms like DEI, shared value, and collective impact will remain only aspirational unless they are paired with the explicit problem we are trying to solve and operationalized in everyday grantmaking activities and relationships. Foundations should internally acknowledge that their own mental models have prevented the operationalization of DEI practices.

- *Build proximate relationships.* Put deliberate internal structures in place to operationalize community proximity. Philanthropy needs to develop and operationalize international structures that allow us to get close to the people we aim to serve. We must be intentional about how we work to achieve the goal of proximity because research shows that it won't happen during our daily routines. Housing and schools in America are nearly as segregated now as they were in the 1960s (Williams, 2018), and research shows that mental models are affected by segregation because racial bias starts as early as preschool (Gilliam, Maupin, Reyes, Accavitti, & Shic, 2016). If the philanthropic sector does not actively engage all levels of its staff in getting proximate and building relationships with the people we aim to serve, we will be hard pressed to solve their problems.
- *Participatory grantmaking.* Once we have identified shared value and built authentic relationships with the people we serve, foundations and intermediaries can allow those who are closest to a given problem the opportunity to decide what

is most critical in addressing the problem and a final say in what to fund. One promising practice in this regard is participatory grantmaking, in which the community is given grantmaking decision responsibilities (Gibson, 2017). For example, where this practice could be operationalized is in measurement and grant cycle processes. Moving to participatory grantmaking may mean willingness to rethink preordained grant cycles and to co-create timetables with key stakeholders. This will involve trusting that the people closest to the problem are most expert on solving it. We have to trust their judgement and advise when it comes to the design, timing value, and funding of initiatives. One overwhelming takeaway from my work on FOW XP was that while foundations purport to prioritize shared value, the foundations' living trustees and board of directors have the final say (Giridharadas, 2018). Foundation leadership is overwhelmingly white with 92 percent of foundation CEOs identifying as white and 89 percent of foundation boards identifying as white (DiAngelo, 2017). With a homogeneous leadership and decision-making body, it is critical that we insert structures like participatory grantmaking to make sure that we are part of the systems solution versus unknowingly perpetuating the problem.

A renewed focus on proximate relationships based on shared value, collective impact, and equal participation has the promise to transform how foundations relate to and work with the communities they purport to serve, thus becoming the change they want to see and embodying systemic change (Kania, Kramer, & Senge, 2018). The equitable sharing of power between funder and grantee challenges traditional power dynamics, which affect everything from who knows about grant opportunities to who

gets those grants. It goes beyond grantmaking to the importance of advancing public and democratic participation in decision-making. It strengthens trust and credibility between donors and grantees, thereby leading to more authentic and mutually beneficial relationships (Gibson, 2017).

In the philanthropic sector's move from traditional philanthropic power dynamics to being truly based on shared value and collective impact, there must be an overall transformation of how funders relate to their communities. Philanthropists must move from a framework of charity and benevolence to one of justice because we know that solving the most intractable problems cannot be done alone and requires the help of community for the benefit of the community, ourselves included.

CONCLUSION

This capstone focused on my work to create an ecosystem aligning support across disciplines involved in the initiative to launch and scale the Future of Work XPRIZE. The journey started with the technical challenges of raising money, but the real work began with the adaptive challenge of aligning a cross-sector group of employers, technologists, and philanthropists around a common agenda and the goal of enacting systems change to scale soft skills, which could affect millions of low-income and entry-level workers. The work of FOW XP was about relationships: relationship with oneself, relationships with the problem we are trying to solve, relationships with our co-actors and with people we aim to serve. In building a cross-sector collaborative like the FOW XP, relationships across difference are a central focus and unit of change in an effort to achieve shared value and collective impact. They become the conduit through which money flows, and practices are enacted in a way that privileges diverse voices. Perfunctory relationships, defined in name only as “shared value” and “collective action,” are not items to check off a list and expect systems change. They are the work, and as such, they should be the ultimate goal. Until foundations and leaders move from an end goal to a process orientation, systems change will remain an aspiration.

In closing, I leave the FOW XP project with three takeaways:

- Foundations cannot embark on systems change work without a willingness to reflect internally on their own practices and address areas where they might be contributing to the problems they are trying to solve. To the credit of the New Profit LTE team, they were willing to make their systems change journey public. The measurement document showing how it held itself accountable to measure

FOW XP was shared widely with partners, thereby doing the necessary reflection that is incumbent on systems-change work. Funders are going to inevitably bump against their own ways of working and practices that have led to their perpetuating the very problem they aim to solve. While this is a painful realization, it is one that leaders and foundations must come to terms with and commit to working through.

- Foundation leaders must have the courage to change and to make their practices visible. We need more philanthropists to acknowledge their systems-change and diversity, equity and inclusion journeys and be willing to share decision-making power. There is a lot to learn from the other.
- System change is hard and unscientific work, and so time and efficiency are false friends. Systems-change work does not fit neatly into grant cycles.

At this end of this journey my colleagues and I have come to realize that cross-sector alignment is the work of systems change. We thought we were running a sprint with FOW XP, when we were really participating in a marathon, in which the launch of the FOW XP challenge was just one-mile marker in a longer race. Systems change is a longer journey that we must commit to until change is seen.

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APPENDICES

Appendix A: Learn to Earn DEI Design and Operating Principles

*This document is designed to help us think through how we apply the themes of our LTE DEI mission and values statement in actionable ways within the context of our work. In the second column, you will find the latest language of our DEI mission and values statement (incorporating the feedback we got from DIG in April). In the third column, I've begun to draft a set of questions that ideally will become our **design and operating principles** to consider in all aspects of LTE's work. You will notice there are three categories: DESIGN, EXECUTION, AND EVALUATION.*

	MISSION AND VALUES STATEMENT
OVERVIEW	Within Learn to Earn, our aim is to generate transformative initiatives that unstick systemic barriers that block students from underrepresented and low-income backgrounds from achieving postsecondary and career success. We acknowledge that doing this work well requires an acknowledgment of the fact that systemic barriers have disparate outcomes on students from underrepresented and low-income communities compared to other communities. In order to achieve our desired impact, and to maximize our ability to catalyze systems-level solutions, we embed principles of diversity, equity and inclusion into the design, execution, and evaluation of our work.
DIVERSITY	Recognizing that effective transformative initiatives for the field can only be generated and emerge when informed by a range of voices, we ensure we have representation from different perspectives in all aspects of our work, from internally within our team, to externally with our partnerships. We look for variance across a number of dimensions, including race, gender, socioeconomic status, age, national origin, religion, disability, sexual orientation, education, marital status, language, physical appearance, and political perspectives.
EQUITY	Through all aspects of our work, we challenge systems of racial and socioeconomic inequity that have perpetuated unequal access to quality educational and career opportunities across racial and socioeconomic groups. We leverage our systems entrepreneurship efforts to create equal

	<p>space for voices from underrepresented and low-income backgrounds. In particular, given the disproportionate impact of systemic barriers on African American, Latino, and Native American populations in America, we intentionally engage these communities deeply in our work.</p>
<p>INCLUSION</p>	<p>To ensure we design and launch transformative initiatives that effectively incorporate the voices of individuals from different backgrounds, we create environments in which any individual or group is equally welcomed, respected, supported, heard, and valued to fully participate. We strive to ensure people of different experiences can bring their entire selves to the work we do together, to ensure everyone is able and free to contribute authentically.</p>

Appendix B: Future of Work XPRIZE Initiative Partner Criteria

New Profit Advisory Board Partners are responsible for shaping the design, implementation and execution of the Future of Work XPRIZE. They comprise a diverse field of leaders from behavioral psychology, artificial intelligence, gaming, experiential education, and workforce training. Partners meet on a quarterly basis to provide ongoing thought leadership and research insights on how to leverage and scale the FOW XPRIZE's winning solutions and impact. Partnership criteria includes:

- Demonstrated commitment to diversity, equity, and inclusion.
- Demonstrated interest in supporting low-income and entry level workers.
- Willingness to provide pro-bono consulting expertise in addition to sponsorship dollars.
- Leadership in related sector or field.

Responsibilities of FOW XP Partners

Guidance, Vision, and Oversight

- Develop and refine FOW XP strategy for change, including problem statement, goal(s), and guiding principles
- Use data to inform strategy development and learning
- Track progress of work using agreed-upon indicators at Advisory Board and Sponsor group levels
- Make connections between partners to ensure coordination and efficiency
- Interact with New Profit LTE on strategy, community engagement, and shared measurement

Leadership

- Consider how your individual organization or those in your network can align with the FOW XP strategy.
- Serve as a vocal champion of the FOW XPRIZE initiative in the community

Process

- Participate in-person in regularly scheduled meetings (every 4-6 weeks-working group quarterly all partner)
- Review pre-read materials prior to meetings and come prepared for engaged discussion, active listening, and respectful dialogue
- Commit to four year-long membership as a sponsor and 1 year as a working group partner

Appendix C: FOW XP Measurement

Future of Work XPRIZE / An Approach and Framework for Measuring Systems Change

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Executive Summary:

In the last 40 years, the percentage of Americans achieving the American Dream, having a higher standard of living than their parents, has plummeted from 92% of the population to 50% of the population.¹ This problem is exacerbated in low-income communities and communities of color.² As a nation, we are suffering strains from that shift. Automation will likely make this worse—dramatically worse. The jobs that will disappear are the lifelines for middle and low-income Americans.

Seismic shifts are taking place in the nature of work, and the pace of solutions are not keeping up. Here’s why: The amount of market investment to accelerate automation is swamping investments to prepare Americans for the changes; K12 and Postsecondary systems are not responding rapidly enough; employers are challenged to reskill their workforces; incumbent nonprofits address only a small fraction of the market and are not scalable; while policy solutions emerge too slowly.

Given how the world will change for students over the next two decades, New Profit is taking bold action to accelerate market-level innovation through the Future of Work XPRIZE. In other sectors, XPRIZE has demonstrated the ability to catalyze markets, scale adoption and align fields on a common purpose and language. This memo explores the societal benefits of the Future of Work across three dimensions:

1. Better leverage for R&D/scaling investments from philanthropic and for-profit funders;
2. Systems change, i.e., removing the conditions that hold the current skills gap in place; and
3. Leveraging the unprecedented hospitality company social science experiment to advance research applications, and scale direct service impact.

¹ “The Fading American Dream: Trends in Absolute Income Mobility Since 1940” by Raj Chetty, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca and Jimmy Narang

² The State of Working America. Retrieved from <http://stateofworkingamerica.org/fact-sheets/poverty/>

Section 1: Overview

Skills gap and misalignment problems plague the American workforce. Currently there are 6.3M US citizens who are unemployed and 6.6M US jobs that are unfilled.³ A recent survey of 500 top United States executives found that nearly half consider skills gaps the main drivers of their inability to fill open positions.⁴

The skills gap persists even in the face of billions of dollars being spent on job training, professional development and HR Tech. Estimated spending on US workforce-development programs for those not going to four-year colleges—everything from federal and state jobs programs, workforce training and certifications, community college, and employer training—is at least \$300 billion a year. Venture capitalists are on track to invest over \$87B in HR Tech in 2018 even though statistics say that 75 percent of these venture-backed startups will fail.^{5 6} The philanthropic sector does not fare much better as it has invested \$7.3B on job creation, job training and reskilling workers in the last five years with limited success at closing the skills gap at scale.⁷

New Profit’s hypothesis is that despite the growing appreciation for the importance of Soft Skills to human development and success, there is misalignment between employers, researchers, technologist and funders creating labor market failures that constrain the ability to teach and assess Soft Skills. New Profit sees the Future of Work XPRIZE as a more leveraged philanthropic strategy than grants to slow-to-scale nonprofits, or high-risk investments in startup companies. The XPRIZE competition format has the potential to deliver impact for a fraction of the cost of alternatives, as funding is only awarded to solutions with proven to produce breakthrough outcomes. New Profit’s Systems Change theory of action involves getting the leading actors in the workforce ecosystem - employers, funders, technologists and researchers- to align around a common strategy and language for validating Soft Skills based on employee performance, to invest in proven solutions, while catalyzing a potential multibillion-dollar latent market for Soft Skills.

Section 2: A Framework for Measuring Systems Change with the Future of Work XPRIZE

Systems Change is about shifting the conditions that hold a problem in place. The figure below shows six interdependent conditions that typically play significant roles in holding

³ Long, H. (2018). The US now has a record 6.6M jobs available. Washington Post. Retrieved from https://www.washingtonpost.com/news/wonk/wp/2018/05/08/the-u-s-now-has-a-record-6-6-million-job-openings/?utm_term=.919b29437385

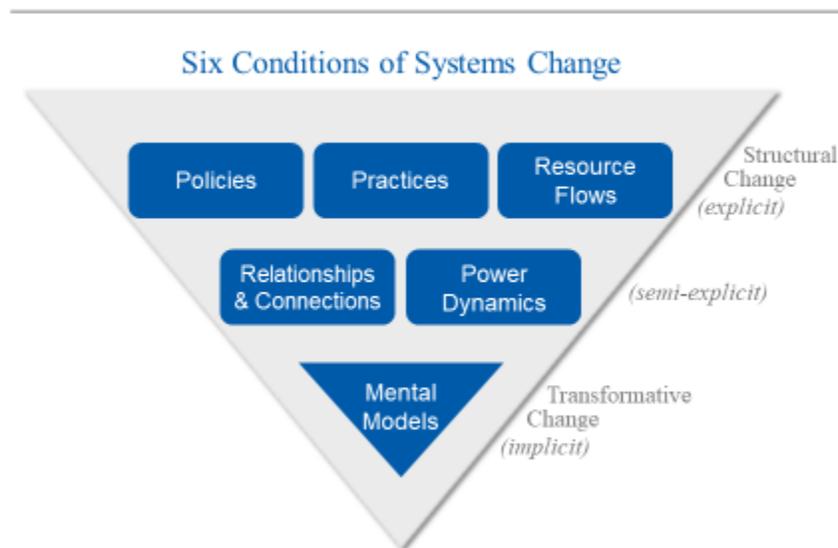
⁴ “Watch the Skills Gap”.(2018). Retrieved from <https://www.adecousa.com/employers/resources/skills-gap-in-the-american-workforce/>.

⁵ CB Insights database research. Retrieved on December 6, 2018.

⁶ Gage, D. (2012). The Venture Capital Secret: 3 Out of 4 Start-Ups Fail. *Wall Street Journal (Online)*

⁷ Foundation Center Directory Search Retrieved on December 10, 2018.

social and environmental problems in place.⁸ These conditions exist with varying degrees of visibility to players in the system, largely due to how explicit or tangible they are made to most people.



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For more on systems change and this framework, see *The Water of Systems Change* (Kania, Kramer, Senge 2018)

In general, system theorists agree that the less explicit systems change conditions (*relationships and connections, power dynamics and mental models*) are more challenging to shift but have greater influence in transforming a system long-term. Moreover, since the less explicit conditions are the most challenging to clarify but can have huge impacts on shifting the system, changemakers must ensure that they pay sufficient attention to the relationships, power dynamics, and especially the underlying mental models (such as racism and gender biases) embedded in the systems in which they work (Kania et al 2018).

A key tenet of systems change is that, in order to change systems, one must be cognizant of all conditions but should focus interventions on one or several areas where one sees the most leverage. To paraphrase systems guru Donella Meadows, “find the spot where a small change in one thing creates a big change in everything.”

The Future of Work (FOW) XPRIZE and Systems Change

In relying on the Water of Systems Change framework, is critical to understand and account for the six systemic conditions (policies, practices, monetary resource flows and

⁸ Note from the framework creators: The framework depicted draws upon the extensive literature behind systems change and systems thinking. The six conditions identified have been articulated in various ways by a variety of academics and practitioners (see, for example, *Building Ecosystems for Systems Change*, Social Innovation Generation; Foster-Fishman, P.G., & Watson, E.R. *The ABLe Change Framework: A Conceptual and Methodological Tool for Promoting Systems Change*). Specific terminology and definitions for these conditions vary. Inspired by the well-known systems thinking “iceberg” concept and Donella Meadows’ body of work—for example, *Leverage Points: Places to Intervene in a System* (1999)—this framework also places systems change conditions at three different levels with respect to their visibility and their ability to transform a system.

incentives, relationships and connections, power dynamics and mental models) that pose real challenges and threats to the FOW XP success. We next explore how the FOW XP can leverage the framework in service of the initiative's goals.

The FOW XPRIZE has the following long-term desired outcome:

- Millions of entry level workers, from low-income communities and communities of color, develop Soft Skills, and gain the work experiences employers require.

Important interim outcomes are as follows:

- Significant increase in demand/adoption, across multiple industries, of validated on-the-job Soft Skills training programs that capitalize on innovative technologies (e.g. gaming, AI technology);
- Stronger cross-sector alignment among employers, researchers, innovators and funders as they coalesce around a common strategy and language for validating Future of Work skills based on employee performance;
- Future investments for new innovators, assessment providers, and researchers are de-risked as the experiment data clarifies which behavioral skills and mindsets matter the most, and for which audience/setting;
- A sustainable ecosystem begins to scale as employers invest in Soft Skills training as part of their value chain, versus temporal philanthropic scaling.

In planning how the FOW XPRIZE can catalyze the aforementioned outcomes, we have developed an initial perspective on both 1.) strategies that can be implemented through the XPRIZE competition to address the six conditions required for systems change, and 2.) how to measure change and progress against those conditions. Specifically, our working hypothesis is that three key conditions – *mental models*, *relationships/connections*, and *practices* – would be the focus of initial evaluation efforts.

Evaluating FOW XPRIZE Success in Changing the System

Listed below are initial perspectives related to evaluating the three prioritized systems change conditions. FOW XP research partners will design an experiment that leverages unprecedented access to a respected employer's workforce and data management systems, along with New Profit's deep K-12, Post-Secondary and Nonprofit relationships. The FOW XP is purposefully focused on influencing systems change - and specifically the following key conditions of systems change: mental models, relationships/connections, and practice.

Mental Models

Mental Models are habits of thought—deeply held beliefs and assumptions and taken-for-granted ways of operating that influence how we think, what we do, and how we talk. The FOW XP aims to shift mental models held by employers, K-12 educators, postsecondary educators, and researches/nonprofit experts. Specifically, the prize aims to change the narrative around the ability of low-income and entry levels workers to acquire Soft Skills. The FOW XP will utilize the prize to demonstrate that the best Soft Skills training increases employee performance and retention in an effort to debunk training myths while changing the prevailing narrative around the efficacy of providing Soft Skills training to low-income and entry level workers. In assessing mental models shifts, we would segment analysis into four stakeholder segments:

- Employers
- Employees
- K-12 and Postsecondary education systems
- Post-Secondary Educators, researchers and nonprofit experts

With each of these stakeholders, we would be looking to see a “before and after” shift in their mindsets related to Soft Skills. Key interim markers in changing mindsets would be: increased awareness of Soft Skills (and associated new on-the-job training technologies), a change in dialogue among peers related to the increased importance of Soft Skills, and initial action taken in greater consideration of Soft Skills. Listed below are a few of the current beliefs of key stakeholders we would be looking to change through the FOW XPRIZE.

- Employers
 - Soft Skills can only be learned over long periods of time through people-intensive training. As a result, employers believe they must hire talent instead of developing it.
 - Employers are reluctant to invest in training employees who might leave to work somewhere else, given the high investment in training.
 - Soft Skills are seen as being of secondary importance to hard skills.
 - Technology can't help humans develop the Soft Skills that machines can't yet replace.
- Employees

- Employees have little to no voice in employer training programs. Training programs focused on addressing immediate employer needs versus on employee career trajectory.
- Employees have limited opportunity to gain on the job credentials that are transferable across employers.
- Personal strengths used at home, like “caring,” “street smarts,” and “listening” are not of value to, or rewarded by, employers.
- K-12 and Postsecondary education systems
 - Don’t view the teaching of Soft Skills as their responsibility.
- Post-Secondary Educators, researchers and nonprofit experts
 - Believe they know which skills and mindsets are most valuable for employee performance rather than relying on actual employer data.

Actual evaluation of shifts in mindsets typically takes place through surveys, interviews and focus groups of stakeholders.

Relationships and Connections

Relationships and connections make it possible for actors in the system to engage productively. FOW XP provides a platform for many innovators to interface with employers and employees while concurrently incentivizing and reducing transaction costs for philanthropy, employers and innovators to work together. Importantly, the prize is a vehicle for philanthropy to offer equity-focused innovators and solution providers access to the large-employer market.

As is typical of many systems, significant disconnects exist between many Future of Work key system actors who could greatly benefit from closer relationships and alignment. Listed below are a few of the most significant dysfunctions in relationships that we believe hold back adoption and incorporation of Soft Skills training in the workplace:

- The sector with the most knowledge of what’s needed on the ground, employers, and specifically managers, don’t connect with the innovators and philanthropists.
- Leading edge innovators in many potentially relevant sectors (e.g. AI, gaming, behavioral psychology, experiential education) are too often not connected to workforce networks.
- Innovators who could help with new approaches to training struggle to shift from being seen by employers as a “vendor” to being seen as a problem-solving “partner.”
- Employers prioritize in-house, proprietary training programs versus sector aligning training initiatives.
- K-12 educators and post-secondary lack the flexibility, resources, and support to bridge the Soft Skills gap on their own and are challenged to build and maintain business relationships.
- Innovators with proximity to low-income communities and communities of color often lack access to employer decision-makers. Related,

innovators have been challenged to access and integrate equity perspectives to improve their training strategies.

Given these existing dysfunctions, two critical assumptions related to how the FOW XPRIZE would improve system relationships and connections will be evaluated:

1. The FOW XPRIZE can serve as a catalyst for employers, researchers, innovators and funders to coalesce around common strategy, language and definitions for validating Soft Skills based on employee performance.
2. The FOW XPRIZE can incentivize and reduce transaction costs for philanthropy, employers and innovators to work together.

Concrete activities executed through the Future of Work XPRIZE aim to replace existing dysfunctional relationships and connection patterns with more productive ones. Below is a sample list of strategies.

- Advance cross-sector alignment as employers, researchers, innovators and funders coalesce around common strategy, language and definitions for validating soft skills based on employee performance.
- Continue to engage partners (Year Up, City Year, Grads for Life) with proximity to low-income and entry level employees to test and validate the FOW XP strategy and to ensure that the voices of these communities are representative in all phases FOW XPRIZE.
- Grow the FOW XP community and formally engage other intermediary hubs including Markle Rework American Business Network, Walmart Retail Opportunity Network and FSG Talent Rewire Network, etc.
- Leverage FOW XP to provide a platform (and capital) for Equity-focused innovators and solution providers to have access to the employers.
- Leverage FOX XP to incentivize (and reduce transaction costs for) philanthropy, employers and innovators to work together.
- New Profit to identify partner to execute research on the impact and applications of the FOW XPRIZE to include sourcing, executing and disseminating case studies and white papers to the employer community and to help inform the wider Power Skills public discourse.
- New Profit to connect existing K12 and Postsecondary networks to FOW XP proven solutions and research (e.g., PII, Reimagine Learning, K12, KIPP, New Teacher Center etc.)

Assessment of change in stakeholder relationships, and success in realizing the two critical assumptions listed above, would take place through interviews with selected stakeholders, and measuring the number of organizations from different innovation sectors developing Power Skills solutions with employers and other workforce related direct service and intermediary organizations. The assessment will be conducted as part of the larger hospitality company FOW XP social experiment and FOW XP Initiative evaluation.

Final Thoughts

Systems change is not a linear process. However, through intentional learning and evaluation, we can learn as we go, continuously modify our strategies, and increase the likelihood of achieving the desired impact. FOW XPRIZE has the potential to be a system disrupter. Being intentional about changing system conditions that today “hold the problem in place” will be an important component in bringing about success. As the XPRIZE effort unfolds it will also be important to examine strategy and evaluation opportunities with the additional systems change conditions: *policies, power dynamics, and practices*.

Section 3: Leveraging the Social Science Experiment with an Multinational hospitality company

The FOW XPRIZE partnership with the hospitality company , a Fortune 500 organization advances the goals of the prize in multiple ways. First it delivers instant credibility to the winning solutions. Equally as important, the hospitality company provides the platform for a rigorous social science experiment, made possible because the company has large number of operating units, centrally managed operating procedures, and a wealth of historical and current data about employees’ training, supervision, performance, and experiences. Each is discussed briefly below.

Scale

While some “prizes” are awarded by a panel of judges or a juried race, the FOW XPRIZE will best be judged using a social science experiment. the hospitality company has sufficient employees and work teams that are relevant to competition that a contest can be designed by selecting employees or work teams at random to receive or not receive a FOW solution. By designing the contest this way, we can eliminate many influences that might confound the results of the competition. This will greatly increase the credibility of a successful solution for employers. Ensuring that a difference between two outcomes did not arise by chance alone requires statistical tests that are influenced by sample size. Due to the hospitality company’s size and employee pool, the FOW XP experiment can be large enough to permit considerable confidence that the winning solution made a difference for workers. Another benefit of the hospitality company ’s size is the possibility of testing the FOW XP solutions in multiple work contexts (e.g., housekeeping, maintenance, front desk, food preparation) within the hospitality company helping us learn how generalizable the results are for workers in different activities.

Continuity of Experience

A threat to any research design is undetected variation in either the “treatment” or “control” populations or in their environments. In a work environment, differences in training, supervision, or job responsibilities would be meaningful threats to interpreting the results of a study that compares variables like client satisfaction, employee performance, or employee retention. In an environment like the hospitality company , with centrally-designed standard operating procedures, workers doing the same job in different locations are far more likely to have similar work environments. This

standardization will substantially strengthen the internal validity and reliability of the prize contest.

Monitoring and Applying Data

In an idealized experiment, the treatment group uniformly outperforms the control group on all measured outcomes by a non-chance difference. In the real world, such results rarely occur. More often, experimental trials have mixed results; an intervention produces effects for some populations or in some locations/contexts, but not in others. Examining these variations is exceptionally valuable to program designers, because it can permit them to develop evidence-guided improvements to their treatment. Experimental results alone, however, are insufficient to make that learning possible. Additional variables must be available that highlight the differences between higher- and lower-performing groups or sites. When such “explanatory” data are available, they can be examined for correlation with the variation in outcomes. By conducting the contest and study in collaboration with the hospitality company, designers examine variation in outcomes using the company’s detailed data management systems on personnel and operation. Through careful analysis of for whom and under what circumstances the FOW solutions had the greatest and least effect, FOW XP solution designers will have targeted information for improving the solution after the contest is complete.

Application

Ideally, these improvements will have the effect of making the solutions more valuable and generalizable in the following ways:

(1) Impact on employees across the larger hospitality sector, as we believe the lessons from the hospitality company could be extrapolated to other hotel companies.

The goal of this XPRIZE is to develop a solution(s) that has benefits for workers as well as employers. If that is achieved the winning solution(s) will be a true “double bottom line” innovation. For the innovation to achieve its potential, however, it will need to be adopted widely, and the process of scaling innovations is often a serious limitation to the value of social sector solutions. A partnership with the hospitality company could dramatically increase the likelihood that a successful FOW solution achieves large-scale adoption.

Once a well-designed trial demonstrates the value of the solution, the hospitality company will have considerable self-interest to incorporate it into their organization as widely as is valuable. As the largest corporation in the hospitality industry, that implementation alone will produce scale that most nonprofit innovations never achieve. Continuing to study the tool in the hospitality company, however, will allow its designers to make further improvements and to increase its applicability.

Through this process of adopting an innovation that benefits both hotels and their employees, the hospitality company will have initiated many of the steps that lead to diffusion of innovations. As the early adopter, the hospitality company will demonstrate

the value of the solution internally, and as the global leader of the hospitality sector, their adoption of the FOW XP solution will be highly influential as it will already have evidence of scaled success; as a result, other players in the hospitality industry will be motivated to adopt the XPRIZE. As a national influencer, the hospitality company's involvement will dramatically increase dissemination of information and lower skepticism. As evidence of benefits to workers and employers grows, it seems possible that hundreds of thousands of workers, and their employers, could benefit.

(2) The FOW XPRIZE can potentially spur industries outside hospitality to provide the solutions developed through the prize to their employees.

One of the benefits of the hospitality company partnership is that the hospitality giant employs large numbers of workers in verticals, e.g. call centers, food & beverage, and housekeeping, that represent industries outside hospitality. Through the FOW XPRIZE experiment we will be able to test the efficacy of Soft Skills training solutions across multiple verticals at the hospitality company. Experiment results showing improved employee performance in any of those job sectors will be of interest to employers in those industries, even if that particular solution does not generate the winning results for all of the hospitality company's employees overall.

(3) Derisk the investment for future innovators and technologists interested in creating skills tech solutions by providing valuable employee data and outcomes based on the the hospitality company's experiment.

Invention spurs invention, and a partnership with the hospitality company produces the ideal circumstance for catalyzing innovators to develop additional tech skill solutions, and to extend the FOW XP solution into other industries and for additional categories of workers.

The data generated by the hospitality company could form the core of a growing body of knowledge, curated and disseminated by 3rd parties, that allowed workforce innovators to scaffold the knowledge from the FOW XP solution to more quickly and with less risk create a broad category of solutions designed to minimize frictions and maximize opportunities in the emerging technology-dominant workplace. Today, such solutions are few and far between, in part because investors and inventors have no path to follow, so risk seems high and reward uncertain. Scaling of a successful FOW XP solution would provide a powerful market signal that opportunities are available, and the knowledge gained in the FOW XP process would provide tangible advantage in the creation of new products and services.