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Reducing Turnover in Higher Education Fundraising Through Interdisciplinary Investments of Human Capital Management

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Introduction

In today's modern development profession, a great threat impedes college campuses around the country from creating lasting relationships with donors and hinders them from maximizing their giving capacity to an institution. That threat is known as turnover. On an annual basis, nonprofit organizations in the United States are experiencing a 19% staff turnover rate (Meisenbach et al., 2018). Fundraisers are a big portion of that percentage with an average tenure for a gift officer nationally is 18-24 months (Thomas, 2010). This fact is detrimental to the success of fundraising divisions who rely on gift officers to manage the relationships of an institution's donors. "The increased costs of education and the decrease in state and federal funding to higher education have made private funding as critical to public schools as it is for private" (Grubaugh, 2019, p. 14). Fundraising does not have an academic home, but the basis of the profession lies within an interdisciplinary approach composed of psychology, economics, history, law, marketing, and communications. By examining the contributors to turnover, this writing will reveal opportunities for fundraising divisions to mitigate the risk of turnover by investing in their talent and thus increasing intrinsic value in their day-to-day objectives.

Movement of fundraisers from one institution to another in search of better pay at another nonprofit occurs, but less than half of those who voluntarily leave a position remain within the nonprofit sector altogether. Research addressing fundraising turnover has identified several potential reasons for leaving the profession, including extended work hours, unreasonable demands for productivity, and low job satisfaction (Meisenbach et al., 2018).

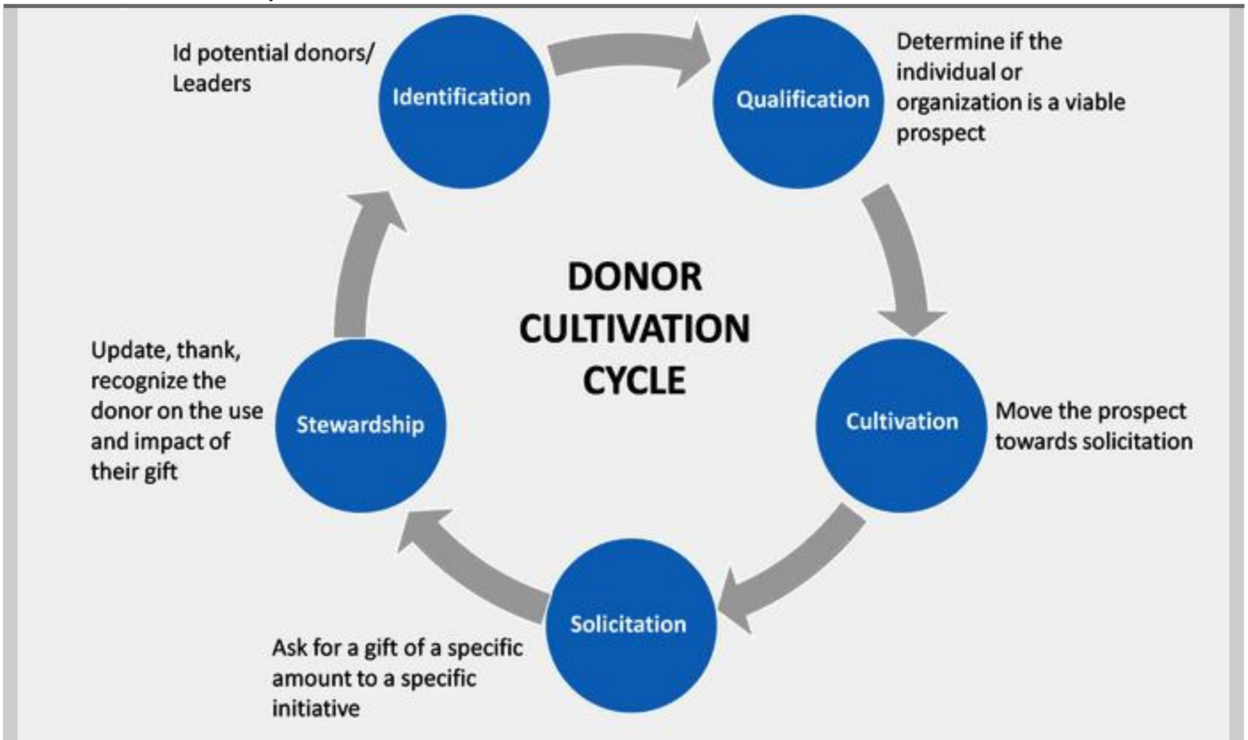
The role of a fundraiser is to "convincingly share the story, hopes, and dreams of the institution, but do so with a keen understanding of what motivates prospective donors" (Shaker

& Nathan, 2017, p. 13). This same care with a focus on listening and attention to detail needs to be served back to the fundraisers by their institution. One way of doing so would be creating a Human Capital Management (HCM) program that creates a priority on recruiting as well as retention through a programmatic and management initiative. The overall premise is if the organization invests in its people, they are more likely to stay, produce better results, and reduce turnover in the frontline fundraising positions (Thomas, 2010). For advancement offices to be successful, they have to invest in their fundraisers if there is a desire for their institutions to continue meeting and breaking past their fundraising objectives.

The Role of Fundraising and the Development Officer

Fundraising success in higher education is an integral part of a college or university's operating budget. Fundraisers, also known as development officers, are full-time employees of the university whose main responsibilities are to identify prospective donors, cultivate those relationships, solicit gifts, and provide meaningful tokens of stewardship. When this last step in the donor cycle is executed well, as shown in Figure 1, the likelihood of repeat giving is exponentially higher. Universities rely on the development officer's ability to form relationships that result in life-long partnerships for campus initiatives. Note: the author of this paper is a major gift fundraiser with nearly ten years of experience at two different 4-year, research institutions. Throughout this writing, all conclusions will be cited unless previously stated through the author's personal experience.

Figure 1
Donor Cultivation Cycle



Note. From Wealth Engine, 2020, https://www.wealthengine.com/communication-strategies-for-donor-retention/

Different roles and titles are provided for individuals working in the field. They include development, advancement, alumni relations, and sometimes communication or public relations. (Gluckman, 2021). For campuses who include all of these areas in one division, those divisions are referred to as *advancement.* For institutions that separate communications from fundraising, the fundraising division is known as *development.*

A History of Fundraising

The focus of philanthropy on college campuses evolved in the latter half of the 19th century. "The crucial coincidence for the transformation of philanthropy in American higher education was the coming together of industry and religion in what has been termed the 'Protestant work ethic'" (Thelin, 2011, p. 101). In the Protestant faith, hard work and good acts are synonymous to one another and many wealthy entrepreneurs invested their riches into their local college campuses providing state-of-the-art facilities and large endowments.

Today's industry of higher education is a mature and foundational destination for the development of our society's most prized professionals. For many top-tier research institutions of higher education, their operation budget can surpass a billion dollars annually. In order for this reality to occur, several key events and benefactors had to play a role into the makings of what we consider to be the modern-day college or university campus.

Colonial colleges did their best to keep tuition low and their budgets lean as a way to recruit students. The biggest contributor to their success and survival was their conservative approach to spending and their fundraising efforts. *A History of American Higher Education* by John Thelin (2011) provides a succinct account of how American colleges began in the colonial era. He notes that philanthropy was closely tied to religion and that churches motivated their donors to give in support of missionary training. In American higher education's earliest days, "devout donors in England who may not have been specifically interested in endowing a college were nevertheless intrigued by the prospects for missionary work among [indigenous people]" (Thelin, 2011, p. 15). Bequests were a common way to make a gift in the colonial era, as it is today. Though these gifts typically have heavy restrictions, the gift of Richard Boyle coincided with universities creating clever ways to become eligible to meet the estate's parameters. Harvard, America's oldest higher education institution, and William and Mary, known as America's second oldest institution, created ways to use this gift for missionary training, scholarship funds, operating expenses, and scholarships to teach colonial students to be missionaries to the American Indians.

The motives of these donors is not completely clear today, but there are prospectus files that suggest that Harvard indicated “that good works – namely, support for a college – might help one to a place in heaven” (Thelin, 2011, p. 16). As time progressed, the government became involved to a greater degree for the creation of higher education institutions. In 1862, the Morrill Act passed, which provided government funds for land-grant colleges. Following its passage, higher education fundraising became prevalent with wealthy benefactors contributing at every stage (Grubaugh, 2019). Between 1850 and 1890, substantial philanthropic gifts were being made to colleges in the United States. Bequest gifts remained a common vehicle to make a transformational gift to college campuses but there was a growing occurrence of current dollar gifts that endowed facilities of science and social science. “These new forms of philanthropy included another variation: foundations and funds whose emphasis was on issues and constituencies, not individual institutions” (Thelin, 2011, p. 101).

By the 1890s, universities were being founded across the country with specific missions in mind that were either tied to a church denomination or served a purpose for the academy. Since these institutions were locally formed, they had little communication or understanding of what was occurring in other regions of the United States until they were experiencing turnover from their successful faculty being recruited to more established universities nearby. This was a sign that universities were becoming more mature and making an impact in their local and national communities.

The discretionary wealth of American business leaders was a major factor in this outcome. In 1876, the $7 million gift for the founding of Johns Hopkins University as well as its hospital in Baltimore was the largest philanthropic bequest ever seen in the United States at that time (Thelin, 2011). Their presence in building universities created hierarchical models that mirrored large corporations. Faculty and staff began to have offices on campus and non-degreed business leaders held trustee positions as a way to motivate the ideas that universities could be run like businesses.

The timing of industrial prosperity and the emergence of higher education institutions could not have been better. Presidents and faculty of universities were becoming more visible in the community and sought out as industry experts for their respective fields. In addition, universities for the first time had a permanent financial base which created a new descriptive phrase: the 'privately endowed university' (Thelin, 2011). This led to a more sophisticated form of degree-based curriculum, a more formalized ideology of pedagogy, and the reliance on fundraising for operational support.

The early days of fundraising in our nation's history certainly left an undeniable impression. The campaigns prevalent today in higher education were formulated on the model developed by the YMCA in the late 1800s (Grubaugh, 2019). Now that higher education is a mature industry, the goals for campaigns rely less on financial solvency for survival but rather on accomplishing uncharted levels of success through new structures, endowments, and faculty support.

In the 1900s, as society became wealthier and large philanthropic foundations emerged, fundraising campaigns became more organized. In addition, fundraising personnel positions expanded even though, as a distinct activity, the profession was considered undignified work due to association with mistrust and high-pressure techniques (Shaker & Nathan, 2017). By the 1950s, the term *development* was in common use and the work intensified as universities began to hire individuals for their fundraising staff. By the 1960s, associations like The Association for Fundraising Professionals (AFP) had been formed as a way to provide a sense of professionalization to the field. Today, higher education fundraisers represent the largest group of fundraisers focused on the same cause out of all types observed in the United States (Meisenbach et al., 2018).

Contributors to Turnover

In the modern world of fundraising, acquiring talent is a main focus due to the needs of today's college campuses. Grubaugh's (2019) study on higher education management found the following:

> Fundraising provides a 'margin of excellence', enabling institutions to offer programs and services (including scholarships) they otherwise could not. Furthermore, fundraisers manage donor relationships, and due to the time and effort involved in securing gifts of significance, their exodus is potentially disastrous and puts institutional goals at risk (p. 10).

The average tenure for a development officer tends to be less than 3 years and the indirect costs of hiring a replacement total $127,650 (Symanowski, 2013). This fact is disruptive in a profession that is built on relationships, and in which most fundraisers do not begin to achieve their potential until more than 24 months on the job (Symanowski, 2013).

At times, the development office a fundraiser serves does not set them up for success. Having to answer donor questions about national scandals, actions faculty or trustees make, or personnel decisions from central administration all serve as elements outside the control of the development officer. The most successful schools in securing annual gifts and high alumni participation rates had several factors in common, including an established development office, strong and stable leadership, alumni engagement, and transparency in communicating that decreases in state support led to funding gaps (Grubaugh, 2019).

One of the biggest motivators for philanthropic culture is the strong leadership metric. “University presidents impact fundraising by their leadership in four areas including: articulating a vision, creating a strategic plan that supports the vision, working with external constituencies, and building capable teams” (Grubaugh, 2019, p. 18). Deans also play a critical role in allowing development officers to succeed – especially for school-based development officers. A dean’s ability to create a vision based on the university’s mission and charge from the president is highly important. Most donors do not engage with university presidents often, so the dean plays an important role to aid the fundraiser’s objectives.

Coupled with the dean’s vision are the academic priorities that a school or college needs to achieve in order for extraordinary results to become a reality. In the author’s personal experience, deans can accomplish this task by bringing faculty partnerships to donor meetings who have a great degree of influence within their field and can articulate the vision of a research project or academic program at a high level. Deans also have the ability to identify prospects due to their close affiliation with current and former students as well as parents. At times, their relationships with these individuals can be stronger than anyone else at the university. Utilizing their position of familiarity can create an opportunity for them to be the chief solicitor for major and principal gifts that benefit their college or school.

Private funding has become just as important to state institutions as it is for private. According to the American Academy of Sciences in 2016, changes in state finances have led to an average of 34% decline in state funding over the last decade (Grubaugh, 2019). When met with these types of circumstances, institutions either increase their tuition rates without compromising their mission, reduce expenses that impact quality of life due to limited resources for faculty or students, or implement an increased reliance on fundraising. This exacerbates turnover for fundraisers seeking higher pay, better titles, and availability for career growth. Some gift officers decide to leave due to "unrealistic expectations, limited resources, poor culture of philanthropy, inadequate compensation plans, and absence of career path and succession planning" (Symanowski, 2013, para 9). Lack of professionalization within the industry, negative stigmatization, shortage of talent, and compensation play a major role in turnover as well.

Lack of Professionalization

Professionalization in the industry is lacking. There have been historic initiatives to legitimize a formal process for fundraisers to have a professional criterion. Associations like the aforementioned AFP as well as certification programs like the Certified Fundraising Expert (CFRE) do exist, but there is not a broad embrace for either of these programs in higher education fundraising. Furthermore, "there is no consensus on whether fundraising is indeed a mature profession or one that is still emerging" (Shaker & Nathan, 2017, p. 2).

The two major facts that bar fundraising from reaching an official level of prestige is lack of research on the profession and a lack of education for on-the-job training. Instead, the ethical aspects of fundraising have been emphasized and defined by AFP as well as the Council for Advancement and Support for Education (CASE). By emphasizing an ethical practice, as shown in Table 1, the anticipated result is for the profession to have an increased reputation for respect like other service-based vocations. AFP's ethical code established parameters for fundraisers to engage as trusted servants in their communities by seeking the best interest of their institutions and by providing meaningful engagement opportunities for donors. Since fundraisers often deal with confidential information from their donors, these ethical practices can be summarized by advocating "no tolerance for institutional negligence, the misuse of gifts, or the misuse of institutional resources" (Grubaugh, 2019, p. 16).

Table 1

Association of Fundraising Professionals (AFP) Code of Ethical Principles

Public Trust, Transparency, & Conflicts of Interest **Members Shall:**
1. not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute. 2. not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession. 3. effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety. 4. not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations. 5. comply with all applicable local, state, provincial and federal civil and criminal laws. 6. recognize their individual boundaries of professional competence. 7. present and supply products and/or services honestly and without misrepresentation. 8. establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services. 9. never knowingly infringe the intellectual property rights of other parties. 10. protect the confidentiality of all privileged information relating to the provider/client relationships. 11. never disparage competitors untruthfully.
Solicitation & Stewardship of Philanthropic Funds **Members Shall:**
12. ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds. 13. ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions. 14. ensure that contributions are used in accordance with donors' intentions. 15. ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds. 16. obtain explicit consent by donors before altering the conditions of financial transactions.
Treatment of Confidential & Proprietary Information **Members Shall:**
17. not disclose privileged or confidential information to unauthorized parties. 18. adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client. 19. give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations. 20. when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.
Compensation, Bonuses & Finder's Fees **Members Shall:**
21. not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. 22. be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions. 23. neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services. 24. not pay finder's fees, commissions or percentage compensation based on contributions. 25. meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

Note. From the Association of Fundraising Professionals, 1964, https://afpglobal.org/ethicsmain/code-ethical-standards

Fundraising has a foundational knowledge that requires a set of learnable skills which are maximized when coupled with the personal attributes of the fundraiser. This fact suggests that a degree program can be created in order to address the growing field of fundraising. The quest for truth and knowledge is the heart of the academy's mission, and certification of expertise through degrees is highly valued for post-secondary employment. Unfortunately, fundraising, with a few exceptions, lacks an academic 'home' (Shaker & Nathan, 2017). A survey performed by Beth Breeze (2017) in her book *The New Fundraisers,* sought to find demographic as well as educational backgrounds of fundraisers. The respondents were fundraising generalists who had come to the profession accidently and were more educated than the general public but rarely possessed formal fundraising training (Shaker & Nathan, 2017). Though the education level for a development officer at a higher education institution would be considered higher than the general public, typically requiring a bachelor's degree, the lack of formal training and "accidental" approach to the profession are quite common.

Fundraising will be held in higher regard as a profession when the industry provides ways which allow the public to come to that conclusion. For now, the profession is defined by ethical practices that require skills and an understanding of their institution. Fundraising is more than an "art" and the increasing knowledge base and required skillset are both intimidating and off-putting for newcomers to the industry. This leads to a shortage of talent and a negative stigmatization about the profession.

Shortage of Talent

When an advancement operation is constantly in hiring mode due to turnover, there is a response that the department needs to be reactionary. This creates a situation where quantity is prioritized over quality and results in a talent shortage. “Nothing is more discouraging to a fundraiser than toiling under the expectations of quantity in an institutional culture that demonstrates only a nominal commitment to quality” (Symanowski, 2013, paragraph 26). Symanowski (2013) believes that hiring quantity leads to other areas where quantity is held as the standard. Prioritizing metrics, like personal visits, over other areas of the job – relationship building, campus wide communications, marketing materials, reporting, research and analytics just to name a few – lead to turn over.

“Low-to-average performing gift officers dominate higher education advancement, with high performers in short supply” (Grubaugh, 2019, p. 8). This shortage of talent coupled with an increased demand for gift officers with high performing metrics exacerbates the issue. As mentioned before, it takes 2-3 years for a development officer to enter into their productive cycle at a university. By leaving the institution, the development officer places the university at risk as well as the donor relationship to that institution.

The stages of cultivation and stewardship provide a trust-building opportunity with the donor. Over time, the development officer is likely to be the first call a donor makes to the university as a need arises that pertains to fundraising or otherwise, making the fundraiser the face of the university to the donor. Frequent development officer assignments can confuse the donor and may internalize the institution’s lack of commitment to keeping their personnel as a lack of commitment to their passions and interest in their giving.

Negative Stigmatization

One of the reasons for job dissatisfaction among fundraisers is the negative stigma that is associated with fundraising – particularly for newcomers to the field. Meisenbach et al.

(2018) conducted a study of current and former fundraisers on their reasons for entering and staying within the profession as well as how they dealt with the stigmas of being a fundraiser. As shown in Table 2, the study surveyed six ways to deal with this negative stigmatization, which are acceptance, avoidance, reducing offensiveness, evading responsibility, denial, and ignoring.

Stigma management communication strategies are important when dealing with these areas, particularly for new fundraisers. For those that were new to the field, they did not like the association of fundraising being that of “dirty work.” This symbolized that they were part of the working class rather than a prestigious branch of the university. In particular, fundraisers who identified their position as “professional begging” did not last long in the field.

Table 2
Stigma management communication strategies

Strategy		Definition	Exemplar
I.	**Accepting**	Incorporating the stigmatized identity into one's personal identity without trying to change anyone's perception of that stigma	I said {PAUSE} "you would be {PAUSE} shocked how much we know about you" and it's true. People have no idea what we can dig up and find.
II.	**Avoiding**	Hiding or even removing the stigmatizing trait from the perception of others through either discursive or physical material actions	I don't like to say I'm a fundraiser. I guess that's the bottom line. That's usually not how I identify myself. I don't do that on the telephone when I talk to somebody. That's the last thing I wanna tell them.
III.	**Evading responsibility for**	Declaring that the individual is not to be held responsible for the stigmatizing characteristic	I'm just doing my job and trying to pay my mortgage. (no exemplars of this strategy were found in the data)
IV.	**Reducing offensiveness of the stigma**	Demonstrating, via words or actions, that the stigmatizing characteristic they embody is not as bad or serves some higher transcendent purpose than might be otherwise assumed	It's not really just about asking people for money. It's about what happens after that money comes in and the good things that result.
V.	**Denying**	Suggesting, via evidence or counterattacks, that the potentially stigmatizing characteristic is not/should not be stigmatized	If there are individuals out there that have given development that [negative] connotation those are more indicative of the individual versus the profession
VI.	**Ignoring/displaying**	Displaying or stating the enactment of a stigma characteristic openly in a way that challenges the idea that the characteristic is stigmatizing at all	[to someone who says] "Isn't that kind of sleazy?" my direct answer is "no. why would you think that?"

Note. From Meisenbach et al., 2018, p. 389

The participants in the Meisenbach et al. (2018) study were 31 former and current fundraisers serving higher education institutions based in the United States – 14 men and 17 women. In Table 2 above, six strategies are defined and include an example of the results discovered as quoted by the participants. Acceptance, the first strategy and quadrant of stigma communication strategies, can include silence, humor, or other forms of realization like apologizing. Humor was a common strategy for both former and current fundraisers, as the participants in the study believed that it deflated the tension for all parties involved. Though humor can be an effective way to diffuse confrontation with stigmatization, the study revealed that relying on humor may belittle the prestigious nature of the institution and can lead to the assumption that the development officer does not take their job seriously.

The second strategy and quadrant are avoidance which centers on the ideas that a stigma exists but that the stereotypes are not applicable to the fundraiser themselves. One way of combatting this is by avoiding the stigma via distancing themselves from that perception and using that as a mechanism to bond with the donor or constituent who is the instigator of the stigma. A common example in the study showcased fundraisers identifying themselves as representatives of the university whose sole responsibility was to build relationships. This strategy can work if the goal, rather than to fundraise, is to keep the relationship. In the author's experience, this is the job of an alumni relations or admissions professional and not that of a development officer. The fundraiser will soon find that their excellent abilities at cultivating do not further the relationship for the institution. When this occurs, having an organic way to make a gift solicitation is difficult and the institution suffers.

Avoidance strategies are partly motivated by metrics that focus on number of contacts or personal visits with donors. Most development organizations will define their officers with metrics such as personal visits, gifts asked, gifts closed, total dollars raised, planned gifts, and lapsed donors. In a personal visit, the fundraiser is meeting with the donor in a one-on-one face-to-face meeting to discuss their experience at the institution and to gauge whether or not their partnership of time, aptitude, or giving would be a meaningful way for them to connect with the university. Personal visits lead to outcomes that by the end of the fiscal year showcase both relationship growth and dollars raised.

Gifts asked and gifts closed occur within the same criteria and serve like a batting average to a development officer, much like a baseball player. Gifts asked are the attempts and the closed gifts are the ones which result in signed gift agreements and or a donation to the institution. The higher these numbers are, particularly gifts asked, the better served the institution is by their development officers. In the author's personal experience, higher activity of asked gifts can often lead to higher total dollars raised, which is closely evaluated in the final months of a fiscal year.

Planned gifts and lapsed donors are not as common for institutions to measure the productivity of a development officer, but they are identifiers of maximizing donor relationships and potential. Planned gifts, also known as estate gifts, are measured by the number of gifts closed for the fiscal year. A donor's estate is their life's work, their savings. If an institution receives a planned gift, it is one of the highest compliments they can receive. Furthermore, when a development officer closes a planned gift, it reveals a high level of trust between the gift officer and the donor. Due to the nature of these gifts and subject matter, the conversation requires sensitivity and a familiarity that end-of-life aspirations are open for discussion.

Lapsed donors measures how proactive a development officer is when it comes to engaging with their assigned prospects in their portfolio. Typically, a fundraiser has dozens of prospects in their portfolio that they are required to contact and further that relationship in order for it to result in a meaningful partnership for both that donor and the institution. If a prospect or donor has not been contacted within a set number of days – typically anywhere from 30-90 days in the author’s personal experience – then they are considered lapsed and the development officer can lose them from the portfolio. It is this type of metric, along with personal visits, that can motivate a development officer unconsciously to use avoidance strategies. Avoidance allows them to continue padding those cultivation-based metrics as a way for them to show that they are meeting the university’s expectations.

The last two quadrants of the Meisenbach et al. (2018) study summarize the remaining strategies in the table which include evading responsibility and denial. Denial strategies, from an institution’s perspective, are the most beneficial for the constituent as it is an opportunity to educate them on the financial model of a university. By doing so, the development officer can impart the importance of their impact and further the relationship and conversation to make an ask. As mentioned before, without the success of fundraisers, higher education institutions would have to adopt drastic changes that affect the student experience which could include tuition increases. This fact supports the idea that higher education fundraisers are not simply raising money, but are, in fact, raising the institution.

The Meisenbach et al. (2018) study revealed that the most successful fundraisers were ones that combined strategies when dealing with negative stigmas. By doing so, they remained in the profession and were more satisfied with their job. This study charges higher education institutions with educating their fundraisers during orientation that these negative stigmas may be a discussion when engaging with certain donors. The strategies above can be discussed and can result in the institution teaching the development officer so that they can educate the constituent who is instigating such a stigma.

Compensation

Talented development officers are being swept away to other institutions for the simple reason that they are competent at their position. Higher pay is a major factor in turnover for development officers, which oftentimes includes management opportunities. Today's fundraisers "have a median salary of $73,000 according to the Council for the Advancement and Support of Education (CASE)" (Shaker & Nathan, 2017, p. 3). In this same study, female development officers are paid $.78 to the $1.00 earned by their male peers. Though the field of higher education fundraisers is diverse in gender, it is not in ethnicity. The best salaries are often obtained by white males.

Higher paying positions usually involve management, which may not be the best course for every individual. Management should not be the only avenue to career growth in fundraising, because not everyone has the potential to be an effective manager. Due to this limitation of career opportunities, fundraisers are often promoted to management based on outstanding individual performance (Grubaugh, 2019). This can cause a decline in total dollars raised if a new manager was once a high-performing fundraiser. Management often entails an increase of on-campus, administrative meetings which takes the fundraiser away from speaking with donors. In addition, these new managers may not be prepared for their new-found duties, which can double the turnover rate – turnover from their subordinates for bad management and the new manager for misuse of responsibilities.

The Makings of a Good Development Officer

According to the author, the best way to understand the standard for high performance in fundraisers is to know what the traits and skills are to be a great asset to the institution. The depth and responses to the knowledge, skills, and characteristics of successful fundraisers shows the complexity of modern fundraising in the higher education. “It requires a broad base knowledge of skills along with the variety of personal competencies that hiring managers and leaders must seek, foster, facilitate, and recognize” (Shaker & Nathan, 2017, p. 13).

Shaker and Nathan (2017) further iterate that there is a fine balance of hard and soft skills that are needed to navigate the institution’s mission and the donor’s desires. In order to do this effectively, the fundraiser must have adapted to their institutional environment. Ultimately, they must have “behavioral and linguistic flexibility, intellectual and social curiosity, the ability to distill information, and the skill to strategically solicit prospective donors” (Shaker & Nathan, 2017, p. 6).

Less-experienced development officers will need counseling on how to align a donor’s passions with university initiatives. At times, external factors can play a role in their success, but a huge component that is within the control of the development officer is effort. By utilizing one-on-one meetings with other colleagues or supervisors, they can find ways to connect effort to success and be willing to receive feedback that teaches them the strategies to work collaboratively with donor interests as well as enhance their motivation to raise the institution. Motivational influence, paired with the knowledge and skills mentioned above, maximize the opportunity for a development officer to communicate effectively with donors and their institutions. “Without motivation, even the most knowledgeable people do not perform well” (Grubaugh, 2019, p. 24).

There are three indicators for motivation (Grubaugh, 2019). First, is active choice, which is the choice that a development officer makes in order to complete a goal. Second, is persistence, which is the ability to remain focused on that choice. Lastly, probably the most important of all, is the motivation of mental effort. This is how much effort a fundraiser places into obtaining that goal.

Within this trio of influences, there are principles that define these motivations, making the system whole. The first principle is self-efficacy, which is the belief in oneself. In short, it means confidence. Such a belief cannot take place if the fundraiser is not managed well, which this paper will discuss later when explaining Human Capital Management (HCM), nor can it take place when the fundraiser is moving from one institution to the other as frequently as the average tenure allots – less than 3 years.

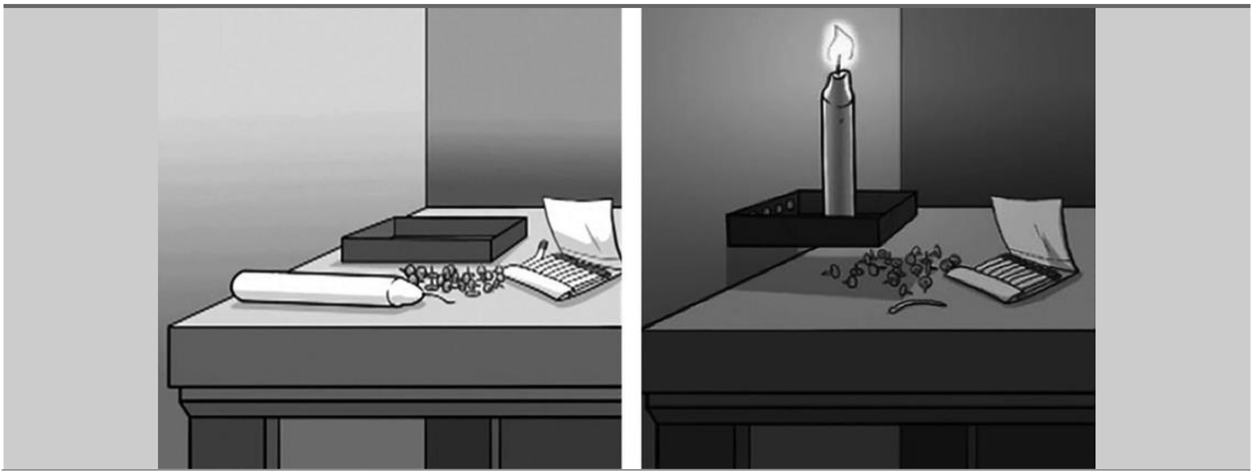
Frequent job placements do not create an environment of confidence, because everything is new. In contrast, frequent job changes stimulate active choice and mental effort, because a new position requires one to “prove themselves” both internally with their colleagues and externally with their donors. Confidence is built when success happens and success occurs in fundraising through time. This allows for self-efficacy to grow, mature, and even evolve into something greater – mastery. "Gift officers report high levels of personal satisfaction as they witness the impact of their work on their institutions" (Grubaugh, 2019, p. 25).

Another principle for motivation is the gift officer's value orientation. The fundraiser's motivation is influenced by whether they believe that they can perform the task and if whether they want to perform the task (Grubaugh, 2019). Oftentimes, this is where compensation becomes a factor, because it relies so heavily on intrinsic value. The evidence states that a major motivation for turnover is higher pay, which makes sense. "There is something remarkably paradoxical about a charitable organization that expects its fundraisers to bring in the big bucks yet skimps on salaries" (Symanowski, 2013, paragraph 14). If institutions make competitive annual salary offers from the very beginning, not as a negotiating tool when an employee turns in their two-week notice, then they will focus on their position outside of the compensation component and have the motivation to make the organization better in addition to hitting their targets. This is the intrinsic value proposition, which is the enjoyment of the task that has either been created by the fundraiser or assigned by the institution to the fundraiser.

In his book *Drive,* Daniel H. Pink (2009) discusses high performance motivators and how compensation affects outcomes. At times, development operations will keep salaries less than competitive but provide incentive pools based on metric productivity. Particularly, when contemplating incentive programs for development officers, Pink's (2009) findings can be applied by revealing that large monetary rewards do not lead to better performance. In fact, in some circumstances, it may do the opposite. Pink uses the "candle problem," invented by psychologist Karl Duncker, to promote that rewards stimy creativity and lead to a narrow focus.

Figure 2

Duncker's Candle Problem and Solution



Note. From Falavarjani & Yeh, 2017, https://www.researchgate.net/figure/Dunckers-Candle-Problem-and-solution_fig1_247430812

The candle problem, as shown in Figure 2, is a scenario where there is a candle, matches, and a box of tacks on a wooden table. The objective is to fix the candle to the wall without having the wax drip on the table. The goal for the participant is to see past what Pink refers to as "functional fixedness." In this scenario, this means to see the box that the tacks are in as more than a storage unit for the tacks. By emptying the tacks out of the box, the participant can place the candle in the box after tacking it to the wall. When given this challenge and setting the proposition that a reward will be given for a speedy solution, the creativity that is generated is far less intriguing than those with no reward incentive.

When it comes to development officers, creating an incentive pool based on metrics, those officers will only focus on the metrics measured for the incentive. There is more to being a development officer than meeting short-term metrics. Planning and executing mass appeals via email or mailings, hosting alumni engagement events around major university holidays or momentous occasions, working with donor relations on stewardship packages, assisting the university administration with talking points before they meet with high-level donors, providing reports for the vice president of development on how a portfolio is performing, and coordinating with your dean the vision and fundraising objectives for the college are just a few of the examples that demand time for a development officer. “Fixating on immediate reward can damage performance over time” (Pink, 2009, p. 56). Much like an addict, rewards are short term and such thinking is deeply embedded into the industry of fundraising. With this type of thinking present, which defeats the opportunity for intrinsic value orientation to take place, turnover will continue to be a problem.

The best approach for keeping fundraisers is to have conditions of a genuinely motivating environment (Pink, 2009). This allows for intrinsic value to be present due to the autonomy that allows fundraisers to succeed. Enjoyment is synonymous with intrinsic value; passion and fit are connected to attainment value; and, salary and promotions are related to utility value (Grubaugh, 2019).

Human Capital Management

Intrinsic value can best be cultivated through Human Capital Management programs that rely on strong recruiting techniques and include comprehensive on-boarding programs with incremental goal metrics, mentoring opportunities for mentors and mentees to experience meaningful growth, and focused areas for division-wide improvement that is identified by senior leadership. Using data derived from a Rice University campaign, multiple simulations based on the inherent complexities of fundraising found that gift officers would raise $1.6 million more per year, justifying a transformative investment in talent management (Grubaugh, 2019).

Conceptually, turnover is unavoidable if an employee is experiencing personal circumstances that impede on their job performance. Within the field of higher education fundraising, however, turnover can be avoided with the committed implementation of Human Capital Management (HCM). HCM, as stated before, is an investment in the people of an institution leading to better results and longer tenure. It is a commitment to hiring dedicated staff who monitor performance, to provide the technology and reporting tools necessary to perform at a sophisticated level, offer opportunities for career growth, and reward job performance.

High-performing fundraisers are crucial to the success of a university and investments in their professional development need to add value in order for tenure averages to change. "Most of these investments are low cost including performance-based review processes, internal educational sessions, and opportunities to hear from senior leadership" (Thomas, 2010, p. 100).

Christy Thomas (2010), foundations director for the College of Arts and Sciences at the University of Washington, suggests that a position be created known as the Human Capital Investment Position (HCIP) whose sole purpose would be to create and implement a clear vision, build the team, and mentor those individuals for success. With the implementation of this new position, managers of fundraisers, such as Senior Directors or Vice Presidents, would have more time to focus on fundraising responsibilities – a primary responsibility of their role.

Communicating a vision will rely on telling the narrative that everyone on the team is a whole, resourceful individual that adds value to the overall strategy. Rather than a mindset that the individual is lucky to be at the institution, the antithetical philosophy that the institution is lucky to have them as a fundraiser is key. Building a team is just as important as the vision since this is the implementation portion of the HCIP and the fulcrum for the whole model. Team building includes formal and informal engagement opportunities, miniature campaigns for specific targets, team goals as well as team metrics that provide a way to motivate everyone rather than focus on extrinsic short-term values that lead to job dissatisfaction in the future.

The final portion of the HCIP model is the mentorship piece. Mentoring provides leadership opportunities for senior leaders and mid-career professionals who may not be high on the organizational chart with multiple direct reports. For some in a development office, this mentorship model could be a way to cultivate and grow management experience for those that do not have any. One of the tragedies of the fundraising field is that management positions are both the only way to move up in a fundraiser's career as well as being the only positions with increased pay. By implementing a mentorship model for mid-career professionals, their management strengths can be discovered and their weaknesses can be mitigated through practice.

Within this model developed by Thomas (2010), gift officers would be eligible to receive a mentor after their first 18 months have been completed. During this initial stage of tenure, when a fundraiser is completing their six-month probationary period as well as a full fiscal year to complete a performance-based review, their development officer would be monitored by the HCIP. After this, if having a mentor is right for the professional development of the gift officer, mentors with four or more years of experience at the institution with a track record for closing gifts of $500k or more will be assigned to the fundraiser.

Thomas (2010) concludes her analysis with a budget that would primarily focus on a new staff line to pay the annual salary of the HCIP. Some higher education institutions have a budget set aside for professional development that is often spent by traveling to fundraising conferences or by having consultants come to the institution to give a lecture on best practices in the field. Thomas (2010) does not specify whether an HCIP would be more cost effective than these other, more traditional, forms of professional development.

Kegan and Lahey's (2016) book entitled, *An Everyone Culture: Becoming a Deliberately Developmental Organization* depicts an HCM-like practice in the for-profit world. They refer to HCM as a Deliberately Developmental Organization (DDO). DDO work settings are built for human development and support the notion that overcoming one's limitations contributes to the profitability of the business. "People are deeply valued as individual human beings, constantly held accountable, and engaged in real and sustained dialogue" (Kegan & Lahey, 2016, p. 108).

Next Jump, one of two companies that is frequently used as an exemplar DDO by Kegan and Lahey (2016), challenges their employees by placing them in roles that the leadership is aware they are ill-prepared to succeed. Before doing so, each new employee undergoes a boot camp orientation known as "Personal Leadership Boot Camp" (PLBC) which identifies an employee's "backhand" – a tennis reference that insinuates their weaknesses. Once backhands are identified, new hires are placed into the types of roles they have little chance of succeeding. After the three-week boot camp, the newly hired employees will share their experiences with their colleagues and senior leadership before being placed back into the roles in which they were hired. Now that their weaknesses have been established, they can implement the strategies they faced in their backhand role to maximize performance in their primary responsibilities.

Decurion, the second exemplar frequently used by Kegan and Lahey (2016), places an emphasis on overcoming internal barriers through "check-in" meetings that create opportunities for employees to be vulnerable about what they are experiencing – both good and bad. "Decurion rejects the idea of work-life balance as a simple goal or mantra. After all, if your life is everything outside of the workplace, then that leaves a bleak notion of what work is – something that we're forced to trade off against joyful living" (Kegan & Lahey, 2016, p. 28). By sharing hardships with the group, opportunities and conditions can be created for individuals to overcome their internal barriers.

DDO's are highly interested in implementing what psychologist and author Carol Dweck (2016) refers to as growth mindset opportunities. In her book, *Mindset, the new psychology of success,* Dweck (2016) states that real growth cannot occur without experiencing limitations in the core of an individual. Everyone has innate limitations, but those limitations are not insurmountable areas that perpetually keep us from achieving success. "Believing that your qualities are carved in stone – the fixed mindset – creates an urgency to prove yourself over and over" (Dweck, 2016, p. 6). Dweck's (2016) research indicates that individuals with this fixed mindset have higher rates of depression due to the emphasis on their failures and the faux sense of belief that they will never be better than their innate abilities allow them to be. Growth mindset is based on the belief that your basic qualities are objects that you can cultivate through your efforts, your strategies, and help from others (Dweck, 2016). In short, everyone can grow and change through application and experience.

DDO’s have a constant focus on minding the gaps of their team’s abilities and choose to place them in almost forced partnership of identifying their weaknesses to create a sense of balance. The closing of these gaps, from Decurion’s perspective, defeats the notion that who one is at work and who one really is outside of the workplace are different individuals altogether. Decurion has created an environment of psychological safety that welcomes imperfection and an emphasis on value through a growth mindset. Next Jump has completed a similar exercise by identifying imperfections on a more personal level all while creating opportunities for new hires to improve revenue and culture.

DDO’s and HCM contain the same DNA which is rooted in valuing growth and being willing to meet their talent where they are by exercising on-boarding programs that prevent them from failing both in inward barriers and external circumstances. DDO’s excel due to the vision that is implemented from senior staff and the patience for these types of formal meetings and programs to take place. HCM thrives when programmatic opportunities and management investments are made and when an alternative to personal metrics are offered, like team objectives and communication, that identify areas for improvement. The non-profit world of higher education fundraising and for-profit world of corporate business have many differences, but there is a common bond that they share which is undeniable – their talent garners respect towards fulfilling work and opportunities for intrinsic value to grow.

Conclusion

“Fundraisers are salespeople who have enough ego to face the ‘no’ answers, be diligent enough to find the ‘yes’ answers, and be focused enough to bring gifts to closure” (Symanowski, 2013, paragraph 21). They are tasked with establishing and nurturing relationships with current and prospective donors by creating gift opportunities that align with a donor's passions. They require excellent verbal and written communication skills and often present formal gift proposals that are mission critical to the institution. These criteria alone are high stake responsibilities making turnover a tragic loss for institutions to fully engage in their mission.

When contemplating the contributors to turnover, negative stigmatization as well as compensation played a major role in the personal accounts of fundraisers. The field as a whole lacks professionalization making that another contributor to a shortage of talent. Ultimately, due to the combination of these contributors, unrealistic expectations, a lack of motivational influences, and low job satisfaction have created a perpetual status of turnover.

Fundraisers are deserving of meaningful HCM practices that enhance their productivity, allow growth on their internal barriers as well as professional aspirations, and honor their commitment to the organization through meaningful recognition that is suitable to their achievement. Since HCM is an investment in humanity, breaking down the impediments between who one is at work and who one is at home creates an authentic, motivational working environment leading to intrinsic value. Misleading scales of pay, lack of career growth, negative stigmatization, and shortage of talent tell the narrative that the profession is lacking intrinsic value. The cost of not implementing talent management into a development division is too great and over time will decimate any chance of accomplishing a university's goals. The best course of action for higher education institutions is to invest in those that maintain the relationships for the university. By investing in fundraisers, the institution is investing in relationships, which is ultimately an investment in the future and a commitment to achieving unprecedented levels of success.

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