



# IMPACT BUSINESS LEADERS

## Demand for Talent in Global Social Enterprise Markets

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### Abstract

Trends in the mid and senior-level hiring demands of social enterprises and impact investors around the world, based on an analysis of the job opportunities, matching recommendations and participant profiles collected by Impact Business Leaders.

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## Executive Summary

Impact Business Leaders (IBL) was started in late 2013 to address the growing mid and senior level talent gap in social enterprises and impact investing organizations. We are not a search firm but work with business professionals with 5-10 years of experience and strong technical skills who seek our services in finding new career paths with growing social enterprises around the world. Since inception IBL has collected 596 job descriptions from our company partners and made over 1100 matching recommendations for these roles on behalf of more than 115 experienced business professionals pursuing careers in social enterprise.

In 2015 IBL had regional programs based in Kenya, India, the UK, and the US, and in 2016 IBL will add a program in Continental Europe. In 2017 IBL anticipates new programs in Southeast Asia and Latin America, as well as possible special programs aimed at “vertical” social enterprise sectors, such as financial technology or education. While IBL is still growing, our primary model of providing effective support for career switchers has already been tested with 170 participants. We’d like to share some initial insights.

From our experience, it is clear that there is demand around the world for services that help experienced business professionals transition into the social enterprise sector as well as a strong call from social enterprises for qualified talent. The managers that we have helped transition into social enterprise have an immediate and tangible impact on their new organizations. In order to continue to improve the services we offer (a 7-day practitioner led orientation workshop, personal career advising, and job matching services), this report examines the open jobs data we’ve collected over the past two years. While we also collect data on the workshops and advising, this report focuses on the job matching component of IBL which tells us about market demand. *Our primary goal is to help solve the talent problem in social enterprise while also connecting professionals with meaningful careers, so this analysis gets at our core value proposition for the sector.*

In three related analyses of the job opportunities IBL has collected, the matching recommendations IBL has made, and the profiles of IBL participants who have sought social enterprise jobs, a few interesting trends emerge:

- Almost 50% of all detailed job descriptions come from Sub-Saharan Africa.
- The most sought after functional skills include general operations, financial management, sales, and team management. Participants with these skills were interviewed the most frequently.
- Industries that have interviewed the greatest number of our participants include, in order, Impact Investing, Education, Agriculture, Clean Energy, and Accelerators.
- Among IBL participants, ‘years of experience’ has a negative correlation with job interview success, especially after 9 years of experience, which we believe is due primarily to risk averseness and reluctance to make financial sacrifices

IBL’s data set is still small, though we believe that two full years of experience with 600 full time job openings is sufficient to draw some initial conclusions about the profile of sector hiring needs and to establish a baseline. This analysis is a starting point for more precise acceptance criteria as we get better at matching available professional talent to a variety of open positions across sectors and geographies.

## Introduction

Impact Business Leaders (IBL) helps social enterprises fill the mid and senior-level roles they need to scale their operations and impact. IBL works with for-profit social enterprises as well as non-profits that are building revenue streams with the goal of financial sustainability. Since the beginning of 2014, IBL has worked with 170 participants across 10 programs in Africa, India, Europe, and the US. Many, although not all, of these participants sought new jobs. To date, IBL has helped 90 professionals find challenging roles in social enterprise and impact investing.

IBL focuses on helping social enterprises and impact investors in both emerging and developed markets fill a variety of business roles including operations, finance, sales, supply chain, product management, marketing, and new market development. Over the last two years, IBL has sourced over 600 jobs and made over 1100 matching recommendations for the participants who have gone through IBL programs. IBL has kept track of the specifics of each job and the success of each matching recommendation, specifically whether IBL participants reached the interview stage. With this data, IBL analyzed which types of social enterprises have management talent gaps and are most interested in IBL participants.

Of the 170 participants in IBL since January 2014, 125 sought new jobs (some only attend the workshop). Of these, 90 so far have found new roles and 24 are still in the job search process. 26 were social enterprise practitioners not seeking new roles who felt that the orientation program was important to their ongoing career development, and 16 others were workshop-only participants interested in learning about the sector. This practitioner constituency is one we had not foreseen and is sizeable enough to justify thinking about how we might serve this segment with a more focused approach.

IBL has analyzed the participants looking for a new job to better understand what factors contribute to successfully finding a role with a social enterprise or impact investor. This analysis does not reach many conclusions that are statistically significant, but it does point us in the right direction and allows for some important tentative conclusions. The analysis also informs IBL and the larger social enterprise community about which kinds of talent are most in-demand in social enterprise and impact investing.

Below are the major takeaways from our analysis of management-level roles in social enterprise and the success of our job-seeking participants.

## IBL Job Opportunity Analysis

IBL selects high performing participants with proven track records in business and a clear-cut business skill-set. We do not do individual searches for talent, but our pool of candidates can meet many of the business needs of our social enterprise partners. We are constantly in touch with organizations seeking talent, and these companies send us job descriptions for open roles. Many times these roles are not fully fleshed out, so we work with the company to describe the role thoroughly on paper, which we know is a key ingredient for success in new job placements. Once we have a detailed JD, we consider which of our participants might be the best fit for the role and present their profile to the company partner to see if they'd like an interview. Often more than one candidate will be recommended for the company's review. From there, interviews proceed at the partner's discretion using the company's normal hiring processes. There is no obligation to hire any of our participants, but many of our partners find the high-achieving

candidates in our pool to be very attractive and are willing to take a chance that they will grow and overcome initial gaps in experience.

## MAJOR TAKEAWAYS

**The top geographic region** for open social enterprise jobs is East Africa, based on input from our global company partners network. **Since 2014**, 263 out of 596 jobs that IBL logged in its database were from Sub-Saharan Africa. Eastern Africa, specifically, accounts for 209 of those roles.



**Top functional skills** that social enterprise job descriptions look for include general operations, sales, financial management, and team management. In particular, experience in general operations was identified on 209 job descriptions.

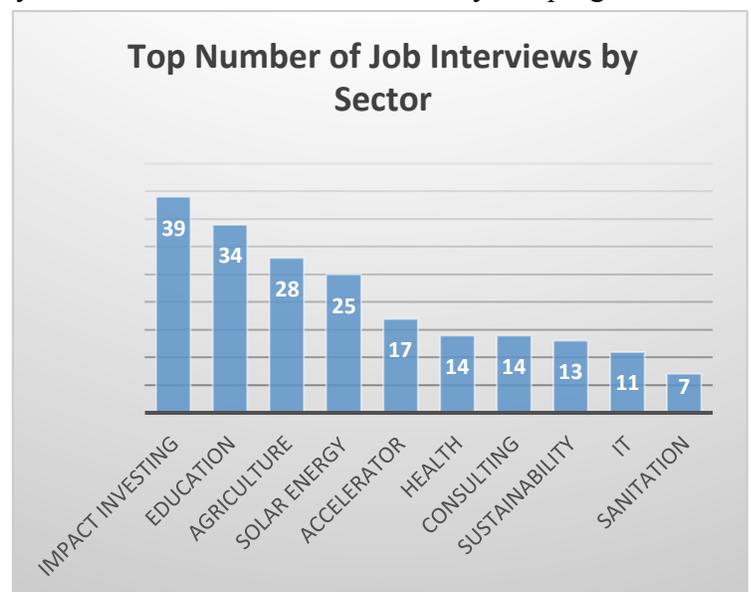
**Rarely sought after functional skills** in social enterprise job descriptions include legal, technology management, and pure accounting roles. For technology management and engineering, this is likely due to IBL's selection bias toward traditional business function roles that fit the management team's expertise. For legal and accounting, these are roles that seem to be outsourced rather than kept in-house at many small social enterprises.

**The minimum years of experience** requested in social enterprise job descriptions averaged 4.5 years. In general, mid and senior level job descriptions in social enterprise likely list low experience requirements to attract a wider pool of candidates with salary expectations consistent with what a young social enterprise can offer.

**Geographic regions with few roles** sourced by IBL include West Africa, Australia and South America, although this is likely driven in the latter two areas by the fact that IBL does not currently run programs in either of those regions.

## IBL Matching Analysis

IBL's focus is on finding very strong candidates who have proven themselves in their professional lives, have at least one set of strong technical skills, and have built a consistent record of high performance. We believe that high performers will not let themselves fail, doing what it takes to succeed when faced with new challenges. For this reason, we often match candidates to roles where the candidates may not have direct experience in every functional area detailed in the job description, but who we think have strong



potential to succeed in the role nonetheless. While this approach appeals to many organizations with fewer resources and leads to more interesting jobs for those who get one, it also means that not all of our candidates receive interviews.

## MAJOR TAKEAWAYS

**Top Industries** for IBL by number of interviews include Impact Investing, Education, Agriculture, Clean Energy and Accelerators in that order. These sectors accounted for 57% of all interviews. The average percentage of job opportunities that led to interviews in these industries is 20%, with Education on the high end (28%) and Solar on the low end (16%).

**Other growth industries** such as IT, Sanitation, Health, and Environmental Sustainability have much higher interview request percentages (average over 50%), but sourced significantly fewer jobs than the top five industries. This is likely because these industries are more specialized, giving participants interested in them better odds.

**Industries that performed poorly** in terms of interview requests include Technology, Consulting, and Financial Services (average 8%) also reflecting the lower number of open positions provided to IBL. This is likely due to the specialized needs and highly competitive nature of these industries. In the case of technology, it is also possible that IBL is not well positioned to effectively match talent due to a lack of expertise in this highly technical area.

**Top functional skills** for IBL participants by number of interviews included general operations, financial management, sales, and team management. Specifically, the ability to manage and grow teams, develop new business opportunities, create and act on financial analysis, manage budgets and P&Ls, and similar skills were all highly valued. Jobs requiring these skills led to an interview 25% of the time on average, with financial management on the high end (29%) and team management on the low end (20%). 68% of all interviews were for these types of roles.

**Skills that were less likely to result in interview** include due diligence and portfolio management (average 6.5%), despite Impact Investing being one of IBL's top industries. This is because senior and technical impact investing roles were categorized as requiring due diligence and portfolio management skills. These roles are highly competitive and often require a very specific background that IBL participants may not have. However, IBL generally categorized entry or mid-level impact investing roles as needing a general financial management skill set, which many of our candidates have, making them more successful.

**Top countries** for IBL by number of interviews include Kenya (60), India (55), Ghana (27), the US (14), Nigeria (12), Uganda (12), Thailand (11), Rwanda (10), Tanzania (5), and Germany (2). These 10 countries account for 93% of interviews and an average interview rate of 22%. Southeast Asia, West Africa, and India trend above this average, East Africa hovers around this average, and the United States is significantly below this average. The United States' low interview percentage (9%) is likely due to a highly competitive job landscape.

## IBL Participant Analysis

In order to attract high quality business talent at the moment of career transition, we partner with top business schools and have a very heavy focus on digital marketing in each of our regional markets. Each school carefully vets the IBL program, which we deliver completely with no local faculty involvement given our practitioner-led program focus. Our brand association with top business schools is an attraction to individual applicants and our company partners. Though we anchor our program at leading business schools our prime MBA audience is usually alumni who have decided to look for something different rather than currently graduating students. Keen professionals self-select and find us, and recent programs have shown there is a strong interest in our services (roughly 3 applicants for every accepted participant in our recent East Africa program).

### MAJOR TAKEAWAYS

**Years of experience has a strong, significant negative correlation with successful career transition.**

This is illustrated in the chart to the right, which shows the experience levels of IBL participants who have successfully landed social enterprise jobs. 6 years is the highest frequency experience level of participants who successfully land jobs. We believe there are multiple factors operating here, but importantly, senior professionals are generally less flexible and risk-tolerant than younger professionals. As a result, moving to new geographies, taking substantial pay cuts, and generally working in a nascent, entrepreneurial sector are more difficult steps to take and are often more difficult than they sound.



**Five functional skills among participants are negatively correlated with job success.** They are banking and credit, team management, portfolio management, due diligence, and consulting in order of most to least negative correlation. While having some of these skills (such as team management) may lead to interviews, this does not often translate into securing a role with a social enterprise due to the highly competitive nature of jobs requiring these skills. See the next two points for further explanation.

**The functional skill team management is highly correlated with years of experience,** which has a strong and significant negative correlation with job interview success. For this reason, we believe that experience in team management is not the causal factor; rather such participants are more likely to be senior professionals, and senior professionals are less likely to find an acceptable job.

**The functional skills portfolio management and due diligence are likely associated with middle and senior level impact investing roles,** which are few in number and highly competitive. IBL generally categorizes entry-level impact investing roles with the financial management functional skill. This may explain the negative correlation between job success and the skills portfolio management and due diligence. This hypothesis is partially validated by a statistically significant positive correlation between portfolio management and years of experience, and a significant negative correlation between financial management and years of experience.

**Graduate degrees show a weak negative correlation with job success.** At a minimum this means that a graduate degree is not a significant factor in the job success of an IBL participant so far.

## Conclusions

Although our data is limited, we believe it points in the right direction on several important findings that are corroborated by anecdotal evidence from the IBL team. Apart from our basic data results, there are two key implications of this analysis for IBL's evolving business model:

- More experienced professionals (especially over 10 years of experience) have a harder time transitioning into this sector than slightly younger but still experienced professionals (5-10 years experience), often due to constraints like family and financial commitments, a lower tolerance for risk, and less geographical flexibility. This suggests that for senior social enterprise roles, especially in emerging markets, local talent development is crucial to meet the talent needs of social enterprises. While expats have played a very significant role in developing social enterprise in some markets, especially East Africa, as more social enterprises grow and need new senior talent, it will become ever more important to find that talent locally, where geographic flexibility, local market compensation, and family commitments will not be significant hurdles to securing talent.
- The functional skills that most often led to interviews are all generalist skills (general operations, financial management, sales, and team management). These are the types of skills any manager needs in some measure to effectively lead an organization and scale a business. Conversely, the skills that were least often sought were all highly technical (legal, technology management, engineering, and pure accounting). This suggests that social enterprises are not having trouble finding the basic technical support they need (such as legal and accounting), which can often be outsourced and do not require a strong mission fit. What social enterprises need are well-rounded, generalist business people who can learn quickly, lead, and face the complexity of scaling businesses in unfamiliar territory.

IBL is well suited to meet these needs of social enterprises, as we aim to connect local talent in each region to social enterprise roles, and we focus especially on the 5-10 years of experience bracket. Talent needs will only grow in coming years as more businesses realize the importance of delivering social as well as financial returns, and we intend to be one key source of this talent for the world's leading social enterprises.