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One of the most significant encounters in the history of not-for-profit enterprise could well have been the first meeting between Frances Hesselbein and Peter Drucker. It took place at New York City’s Union Club in 1981. Hesselbein was in her fifth year as CEO of the Girl Scouts of the USA, a national organization with more than 3 million members and volunteers. Founded in 1912, it was a venerable but relatively staid institution in which girls drawn almost entirely from the white middle class aspired to win homemaker and storytelling badges. Hesselbein had become CEO at a difficult time for the organization; it had had a declining membership, a dearth of volunteers, a growing reputation for irrelevance, and a governance system that allowed many of the 335 councils to operate as separate fiefs. But she had begun to lead the organization through a turnaround. Under her guidance, it was becoming a cohesive and growing enterprise, focused on helping girls from diverse backgrounds achieve their highest potential, through a contemporary program that emphasized leadership, science, technology, and math.

Hesselbein’s strenuous commitment to making operations more professional and updating the educational side of the Girl Scouts had been inspired in part by Drucker’s writing. Although he had mostly written about business organizations, she believed his advocacy of clear mission focus, active board governance, and demographics-driven customer service had great resonance for nonprofits. So she eagerly accepted an invitation to hear Drucker, who was Viennese, speak at the Union Club. “I arrived at exactly 5:30,” she recalls, “because that was the time on the invitation. I grew up in Johnstown, Pennsylvania, where 5:30 means 5:30. But when I walked in, it was just me and two bartenders. Then I heard a deep voice behind me saying, ‘I am Peter Drucker.’ Apparently 5:30 means 5:30 in Vienna too. We were the only ones there.”

She was so surprised, she recalled recently, that “I forgot my manners and just blurted out, ‘Do you know how important you are to the Girl Scouts?’ I said that if he read any of our planning or strategy papers or looked at our management structure, he would find we reflected his philosophy.”

“And tell me, does my philosophy work for the Girl Scouts?” Drucker asked. Hesselbein invited him to see for himself, whereupon he volunteered to spend a day at Girl Scout headquarters on his next trip to New York. She also invited the entire national board and staff to a luncheon that day to hear him speak. From his opening remarks, it was clear Drucker had studied the organization thoroughly; he began by observing that the Girl Scouts were doing wonderful things. “However, you have one big problem,” he said. “You do not see yourselves as life-sized. You do not fully appreciate the importance of the work you do. For we live in a society that pretends to care about its children, and it does not.”

In essence, he was telling the almost entirely female gathering that every member of the board and staff — and by extension every one of the organization’s 775,000 volunteers — was contributing something so vital to the larger society and to the future that they should view themselves as having the same worth, aspiration, and level of professionalism as the most high-profile corporate leader. “For us,” says Hesselbein, “those words were transformative.”

That was the beginning of a conversation that lasted 24 years, until Drucker’s death in 2005 — years during which Drucker turned his attention and intel-
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Intellectual passion from corporations to the “social sector,” his preferred name for nonprofits, while Hesselbein made her mark as a leader and innovator. Fired up by a vision of world-class excellence, the Girl Scouts over the next decade would become widely recognized as an early adopter of nonhierarchical leadership. Hesselbein urged affiliates and regional councils, along with volunteers and girls, to “see the total organization as one great movement, mobilized around mission and around changing lives.” She encouraged the development of a contemporary scouting curriculum that gave girls hands-on experience in addressing challenges in their communities. A passionate advocate for inclusion, she tripled the number of racial and ethnic minorities in the Girl Scouts. Her innovations make up a legacy that the organization has carried into the new century. A typical troop project today might be helping a remote Mexican village gain access to pasteurized milk — a far cry from the woven potholders and roller skates that were staples of 1960s-era scouting.

As she brought visibility and management innovation to the Girl Scouts, Hesselbein garnered acceptance for the idea that because nonprofits play an essential and powerful role in shaping society and culture, they require the utmost professionalism in their leaders. Management skill is particularly vital for nonprofits, as Drucker has noted, because leaders who rely primarily on volunteers have a tougher job than for-profit executives, who can use financial incentives to attract talent and drive performance. In the social sector at this time, when degrees in nonprofit management were nonexistent, management training rare, assessments sporadic, finances often addressed in crisis mode, and passion for the cause viewed as the prime qualification for leaders, Hesselbein’s high-profile advocacy of the need to judge efficacy by results rather than good intentions was a radical shift. Her longtime approach has been a major factor in the sector’s managerial capabilities — and its good reputation.

In 1990, Hesselbein retired, just a month before General Motors CEO Roger Smith did the same. Peter Drucker told *Businessweek* that if asked to choose a successor at GM, “I would pick Frances.” But she did not become the carmaker’s CEO. Instead, she became the founding president of the Peter F. Drucker Foundation for Nonprofit Management. This small foundation is dedicated to fostering innovation and excellence among nonprofits by exposing their leaders to world-class thinkers, educators, and consultants from around the globe, and helping them strengthen connections with their business, public, and military counterparts. (It was renamed the Leader to Leader Institute after Drucker’s death in 2005 and became the Frances Hesselbein Leadership Institute in 2012.) The complexities of global society have made these links between business, government, and nonprofits essential. Leaders, in particular, have a lot to learn from their counterparts in other sectors: For example, nonprofits can get help in being more innovative in response to shifting technology and demographics, and businesses can get better at engaging the passions of people seeking to make a difference in the world.

Hesselbein has continued to lead her institute for the past 25 years, drawing upon an extraordinary global network of supporters, admirers, and students. Noting the outsized influence of the tiny organization, author Jim Collins notes, “I have never met a single person who has had a larger multiplicative effect than Frances.”
Encountering Frances Hesselbein

Hesselbein must have taken Drucker’s words at that Girl Scout luncheon to heart; she sees her impact as more than life-sized. Always petite physically, she has grown tiny with the passing years. But her polished elegance, along with her spritely humor, give her an outsized presence in any gathering. Like Jacqueline Kennedy Onassis, she tends to speak softly and deliberately, her eyes never straying from the person she is speaking with, which creates an effect of intimacy. Her air of unruffled self-respect and her skill at developing projects with impact have gained her the regard of leaders of major corporate, education, and military organizations as well as those in the social sector.

“You don’t meet Frances; you *encounter* her,” says John Alexander, former president of the Center for Creative Leadership (CCL), a training and development nonprofit that runs executive courses and conducts research around the world. “You have to step up to be with her; you have to act the part, be a grown-up. You have to commit to things that make a difference and then you have to follow through. She has the highest expectations of the people around her, so being in her presence requires you to lift your game.”

Her longtime friend and professional collaborator Regina Herzlinger, who holds a chair at Harvard Business School (HBS), observes that Hesselbein’s high expectations are manifest even in small details. “I was in New York about a year ago and I called Frances and said, ‘I’m free at the end of the day; let’s meet for coffee.’ And she said, ‘I’d love to meet you, but I think champagne and caviar at Peacock Alley at the Waldorf would be appropriate to the occasion.’ That’s Frances. Where you meet needs to reflect what you aspire to.”

Influence and impact have historically been difficult for nonprofits, which often labor on shoestring budgets for narrowly focused causes. The role of an influencer can be particularly challenging for women, who tend to manage smaller and less well funded enterprises in the sector and may struggle to make themselves heard among male colleagues.

Hesselbein has no such problems, despite having made her initial mark in an almost entirely female organization whose mission is to serve girls. Through her work on leadership, she has formed close associations with major military and corporate leaders, such as Alan Mulally, the former CEO of Ford Motor Company, and General Eric Shinseki. Her emphasis on purpose, values, and ethics; her pioneering advocacy of diversity and inclusion; and her focus on serving the changing needs of the customer are core principles that she has expressed and embodied for many decades.

Hesselbein does not discuss her age, but it is known to be around 100 years. Yet she shows up at her Park Avenue office every morning, and until 2013 kept up a punishing schedule of world travel. More im-
Hesselbein “is always inviting you to help her do something. And you say yes because you know it will be an adventure.”

Importantly, she sets an example and serves as a mentor for people who are seeking to play a larger role in the world. As Marshall Goldsmith, author and executive coach, and a member of the institute board since its founding, observes, “Frances understands how power works. She’s adept at trading favors. If you do something for her, you will benefit in terms of the people and the circles of influence you get exposed to. This is something women often struggle with, even women at higher levels.”

Hesselbein models her approach to power by continually drawing her associates into activities and associations that they would otherwise miss. Collins, who has accompanied her on trips and joined her for fireside chats at the United States Military Academy at West Point, in New York, notes in his foreword to Hesselbein on Leadership, a collection of her essays, that she is not shy about asking people to donate time or intellectual resources to her projects. “The phone rings, I pick up, and I hear Frances on the other end of the line. ‘Jim, I was hoping that you might consider….’ And before I even hear the end of the sentence, I know that I will very likely say yes. I also know that I’m going to like it.”

Alexander (the former CCL president) echoes Collins, noting that Hesselbein has taught him to say yes before she even asks a question. “It’s become kind of a joke with us — ‘yes is the answer, now what is the question?’ — but she also means it. She is always inviting you to help her do something: plan a conference, bring people together, visit a country, publish a book. And you say yes because you know it will be worth doing, you will meet great people, it will be an adventure — and because it’s Frances who asked you.”

The Road from Johnstown

In her autobiography, My Life in Leadership: The Journey and Lessons Learned Along the Way (Jossey-Bass, 2011), Hesselbein attributes her self-assurance to growing up in Johnstown, Penn., a steelmaking town about 60 miles east of Pittsburgh. The town was known for its role in establishing one of the earliest modern nonprofits, the American Red Cross, which brought doctors and set up tent hospitals across the region following the disastrous 1889 Johnstown Flood. Hard work and patriotism were valued, immigrant communities formed an integral part of the social fabric, and Hesselbein, whose original name was Frances Willard Richards, grew up in a family with a long tradition of military and public service and independent thinking.

Her father, Burgess Harmon Richards, after a long stint in the army, became one of Pennsylvania’s first state troopers. Her grandmother was a gifted storyteller, and Hesselbein grew up hearing stories of family members who fought for the Union in the Civil War. She was particularly partial to her Aunt Carrie, a regent of the Daughters of the American Revolution, with whom she used to pay yearly visits to England. Her mother’s Cornish ancestors were Methodist preachers, and sitting in the chapel they helped found in the 18th century, Hesselbein would say to herself, “I’m the sixth generation of dissidents to sit in this pew, and I’m not going to change.” Hesselbein notes in her autobiography that her aunt died at 96, “still…bright, charming, impeccably groomed, tastefully dressed” — clearly an inspiration.

Hesselbein’s father died when she was 17 and, as the oldest in her family, she had to go to work. After holding a variety of jobs and attending the University of Pittsburgh part time, she married John Hesselbein,
whose family owned the *Johnstown Tribune*. He also served on the governor’s Civil Rights Commission, and worked as a photographer and filmmaker. As a young wife, Hesselbein helped him run the studio, later noting that doing so helped her build the marketing, communications, and customer relationship skills that would serve her well as an organizational leader. They had one son, also named John. She lived on base with her husband when he served in the armed services in the 1930s and became active in the community when they returned to Johnstown.

When Hesselbein’s son was young, she was asked to assume leadership of a local Girl Scout troop whose leader was leaving to become a missionary. She had no daughters, but there were no other candidates, so she agreed to take the troop for six months. She prepared herself by reading Girl Scout history and found inspiration in founder Juliette Low, who told girls in 1912 that they could “be anything they wanted to be,” including an aviator. Because Hesselbein had been mocked as a child at school for declaring her desire to become a pilot, the statement inspired her. “Imagine a woman saying that in 1912!”

Upon meeting her troop of 10-year-olds, she introduced herself as their leader — “the first and last time I ever announced myself that way.” As an inexperienced newcomer, she let the girls choose what projects to pursue, what badges to work on, even how to handle the proceeds from their cookie sale. While the more experienced scouts led others in small groups, Hesselbein positioned herself as a resource and source of support. The troop flourished, and she stayed with them until they graduated from high school. She then accepted an appointment to chair the board of the regional council.

The scope of Hesselbein’s ambition was apparent from the start. On the first day of her board job, she brought a copy of Drucker’s *The Effective Executive* (Harper & Row, 1967) for each staff member, having decided that “his philosophy was exactly what we needed for our governance and management.” She rapidly introduced herself to business leaders throughout the region. She persuaded the president of the area’s biggest bank to personally sponsor her first fund drive, doubling the previous year’s result. She also engaged the support of union leaders in the area and enlisted local congressman John Murtha to chair her first fundraising dinner; he continued to do so for the next 35 years. Invited as the first woman to chair the regional United Way campaign, she recruited a leading executive of Bethlehem Steel to host the kickoff luncheon and the United Steelworkers to host the dinner. Bringing leaders with contrasting interests together in pursuit of a common cause was the kind of audacious, inclusive, results-oriented networking that would become her hallmark.

**Only the Best**

Her innovations in Pennsylvania attracted attention from the national board, and in 1976 she applied for the position of national executive director of the Girl Scouts of the USA. Because this position had never been filled by an internal candidate, she did not expect to be selected. “I figured they only [interviewed] me because they wanted to prove they were casting a wide net,” she recalls. “So I was completely relaxed during my interviews. When they asked what I would like to achieve if I were chosen, I described a revolution. This was a time of great social change — people weren’t sure how scouting could be relevant to girls’ lives, especially...”
girls from the inner city. We needed to change with the times by questioning everything except the mission of serving girls by helping them reach their highest potential. And we needed a less siloed structure to achieve our goals.”

Hesselbein took the job on July 4, 1976, when the organization was losing membership and struggling with how to attract volunteers now that stay-at-home mothers were no longer the norm. She started with what Peter Drucker called the five fundamental questions for an enterprise: What is our mission? Who is our customer? What does the customer value? What are our results? What is our plan? She commissioned research from top universities on trends affecting girls, to identify the kinds of programs that might help them grow up as independent thinkers and self-reliant, successful individuals. She replaced the iconic Girl Scout handbook with four handbooks aimed at girls of different ages, and switched programs and badges to focus less on domestic skills and more on fields like science, technology, and math. She enlisted Vernon Jordan, then president of the National Urban League, and Robert Hill, the foremost researcher on the black family, to help identify ways to appeal to minority girls at a time when scouting was almost entirely white and middle class. She commissioned promotional materials specifically targeted to diverse communities, quickly tripling minority representation.

Just as important were her efforts to dismantle a fairly entrenched hierarchy; like many other youth organizations, the Girl Scouts had adopted a military structure. “The brass” in the national organization was mostly insulated from the realities in the field, authority flowed only from the top, and there was still an industrial-era divide between those who made decisions and those who executed them.

Hesselbein began a comprehensive restructuring, drawing new org charts using concentric circles to, as she put it, “free people from being stuck in little boxes.” This new “web of inclusion,” as it would later be described, fostered communication across levels and divisions, enabling teams to come together from across the organization, and giving people scope to make their own decisions. “People flourish when they take responsibility,” Hesselbein observes. “Have you ever met a young person who couldn’t wait to be a subordinate?”

Convinced that high-level training was required to sustain the kind of transformation she was putting in place, she approached learning and development as if the Girl Scouts were IBM or General Electric, often persuading people at the top of their field to donate their services to her cause. She recruited the president of MetLife to raise funds for a state-of-the-art conference center in upstate New York, where she engaged thinkers such as John Gardner, an education and leadership pioneer; leadership scholar Warren Bennis; and, of course, Drucker to speak to and work with Girl Scout leaders. She asked Herzlinger, the first female tenured professor at HBS, to create an asset management seminar to improve financial management in the Girl Scout councils.

“The Girl Scouts was a franchise organization,” recalls Herzlinger. “As CEO, Frances did not have the power to choose, fire, or promote council leaders. She had to make the most of what she had, so she asked me to bring together a group of HBS faculty to develop a corporate management seminar for local council CEOs and national staff. It covered everything: strategic planning, finance, negotiation, professional management skills. We wrote case studies of various councils — one near bankruptcy, one with too much money — and used the case method to teach the program, which we ran for the Girl Scouts for many years.”

Herzlinger sees the ambitious scope of Hesselbein’s development programs as an example of her general commitment to high-level aspiration for the organization and the girls it served. “It’s the same reason she got Bill Blass to redesign the Girl Scout uniform [in 1984] and then unveiled them at a runway luncheon at the Four Seasons with all the press invited — not the kind of thing the Girl Scouts had been known for doing in the past.” Or as Hesselbein herself put it: “Only the best is good enough for those who serve girls.”

Amid all this change, she also faced personal loss. Two years into her tenure, her husband died suddenly after being diagnosed with a brain tumor. At work, Hesselbein viewed her most essential role as recogniz-
ing what should not be changed: the organization’s bedrock identity and mission. Despite the wholesale transformation in systems, structures, and service delivery, the Girl Scout Promise and Law, its values and soul, remained untouched.

Nevertheless, her efforts stirred pushback, which she diffused by leaving local councils free to reject most innovations. When traditionalists objected to the redesigned Girl Scout pin, they were told the old one would remain in production and could be ordered if they preferred it. When a number of regional offices were consolidated in New York, the move took place in multiyear stages so people would have time to adjust, even if that made the process less efficient. Her concern was to give people maximum scope to make their own choices as well as “a way to save the face and dignity of people who oppose...initiatives.”

“Doing this is a key principle in managing change and mobilizing people around it,” she explains. “If you act in a dismissive way with those who oppose you, they will never support you, but if you give them time and your respect they will usually come around. Leading this way creates tremendous goodwill. And you need goodwill in a transformation.”

The Big Influence of Little Things

Retiring from a demanding job in her mid-70s, Hesselbein claimed her only plans were to write a memoir and continue serving on a couple of boards. But on her first day of unemployment, insurance company Mutual of America presented her with an office on Park Avenue and the half-time use of an administrative assistant in the expectation that she would “do something of value.” Six weeks later, she and two friends — Bob Buford, a television executive, and Dick Schubert, head of the Points of Light Foundation and former president of the American Red Cross — flew to Claremont, Calif., in order to discuss with Drucker, then in his 90th year but very active, how they might combine their efforts to spread his work and philosophy more broadly.

To that end, and to bring together public and social-sector leaders together with their counterparts in the military, Hesselbein’s institute has been particularly active in bringing private and social-sector leaders together with their counterparts in the military.

Hesselbein, intensely proud of her family’s military service (her son, husband, father, and uncles all served in the army), seems to find a particular energy in this endeavor. In 2009, she was named Class of 1951 Leadership Chair for the Study of Leadership at the U.S. Military Academy — the first woman and the first non-West Point graduate to hold such a position. She travels regularly to West Point, bringing friends like Collins and Mulally to participate in the fireside chats she holds for cadets.

Colonel Bernard Banks, head of the academy’s department of behavioral sciences and leadership, says, “Her relationship with West Point runs very deep. I still hear cadets who met her years ago comment on the
fluence she had on them [and] how she exemplifies the leadership qualities we value here, like passion, intellect, character, and vision. When she’s here, you’ll see her surrounded by cadets. This very small woman speaks so softly that you have to lean in to hear. But she exudes this huge emotional presence that the cadets find fascinating. When they are listening to her, they exude joy.”

Banks adds, “The cadets are inspired by her because, despite their great difference in age and experience, they recognize that she respects them. She has a genuine appreciation of anyone called to service — her own life exemplifies it.”

In late 2013, after a fall sent her crashing facedown on a marble floor, Hesselbein was told by her physician that she could continue to do everything but travel; the previous year, she had flown to Russia and New Zealand and completed a nine-city tour of China as well as twice-monthly trips within the United States. Most of her travels were to speak or to receive honors, always wearing the Congressional Medal of Honor she received from President Bill Clinton in 1998. John Alexander, who accompanied her on a number of trips, notes her indefatigability, as well as her ability to immediately engage people from widely diverse cultures. “She looks straight at them and listens so intently — people can read that kind of engagement across cultures.”

Hesselbein recently noted that “technology and society change, but what people want in their hearts doesn’t change.” Her success and the breadth and robustness of her legacy have to a large extent been built on this understanding. She has always been comfortable speaking the language of the heart, of passion and purpose, even in the toughest environments. The fundamental lesson she learned from her first troop of 10-year-olds — that people want to be engaged, want to contribute, want, in the much overused phrase, to be empowered — has remained central to her vision of building a society in which people collaborate in changing lives.

Today, the full engagement of employee hearts and minds, which money alone can never buy, is the fulcrum upon which organizational excellence seems to turn. Persuading people to serve — and as Collins notes, to feel good about it — is not just something that comes naturally to Hesselbein. It is something she has studied, modeled, and taught, which is why so many leaders see her as inspiration, mentor, and even muse.

That passion for service is also what keeps her going decade after decade. This was made vividly evident at a book party for Goldsmith, held at the Four Seasons restaurant in 2011. A reporter fell into conversation with an executive who had just left the top position at a large international nonprofit.

“You sound as if you’ve retired,” said the reporter.

“Shhhh!” the man cautioned, glancing over his shoulder with an almost fearful expression. “Don’t let Frances hear you say that!”

“Why, what’s the problem?”

“When I called to tell her, I said, ‘Frances, I’m going to re— ’ but she cut me off in the middle of the word. ‘You and I do not retire,’ she told me. ‘You and I are called to serve, and we will serve until the pine box lid is closed upon us.’”

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Resources

Sally Helgesen, *The Female Advantage: Women’s Ways of Leadership* (Doubleday/Currency, 1990): Portrays Hesselbein at work, as both an example and an advocate of inclusive, highly engaged organizational leadership.


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