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Women and leadership: Learning from the social sector

Jacqueline Novogratz, CEO of Acumen Fund, shares lessons in leadership
from her work in venture philanthropy.



As a venture philanthropist, Acumen Fund's Jacqueline Novogratz leads entrepreneurial projects across the globe—many of which put women at the helm of emerging local businesses. In this video interview, she discusses her experience developing other women leaders, the way they have shaped her own approach to leadership, and the different leadership cultures she sees at play in the public and private sectors.

This interview was conducted by Bill Javetski, an editor with the *McKinsey Quarterly*, in February 2009. It was recorded in the New York office of Acumen Fund.

The Quarterly: *One of the secrets of your activity in building entrepreneurialism is focusing on women as workers. Can you talk about that?*

Jacqueline Novogratz: I had been in Rwanda where I worked with a small group of women to start the first microfinance organization in the country and, simultaneously, a bakery with 20 unwed mothers. My own background has taught me a lot about the power of investing in women, because you do end up feeding a family and not just an individual.

I worry actually that the international-development community may, in focusing so much on the women, end up demoralizing and devaluing men even further. I don't want to be glib about just investing in girls. We have to build healthy societies and we have to recognize that boys and girls develop differently and [we have to] find ways really to include, to value, to have high expectations, and to provide opportunity.

And so there's this big, philosophical question around how do you hire, how do you encourage different behavior. Can you—in the dormitories—bring in other activities to bring in reproductive health, to help with microfinance and savings? There's a really interesting platform here.

The Quarterly: *Your story of the bakery in Rwanda was in large part a story about developing the women that you worked with there. What did you learn about leadership from their experience of developing into owners and operators of that business?*

Jacqueline Novogratz: I went in as a leader with pure audaciousness. I didn't have as much humility in that I just assumed—I'm the eldest of seven, I can do the *Bad News Bears* thing really well, I'm just going to cheer them on—without having the humility of really understanding what their starting place was.

After many mishaps, including having them steal from me and having them not really know how to sell—I mean they would look down the whole time and have to explain to me that they were considered prostitutes by many; for them to go and look somebody directly in the eye and shake their hands was not exactly a Rwandan-woman kind of thing—so I had to learn to have the humility myself to really listen to their perspectives, and yet not stop there; to have the audaciousness to say, "It's a good starting point, but we want to get you to this other place."

The real lesson for me was how that dignity is so much more important to the human spirit than wealth. And that what these women, as all of us, needed was to know that we could cover basic needs, but to have the power of being able to say no to things that we didn't want, that we didn't want to do. And so leadership as a way of inspiring, listening, and letting people, you know, grow themselves in their own way.

And it was a small experience in some ways, and yet one that I think about all the time that taught me so much about listening and dignity—and laughter as a really, really key component. The more stressed I got, the less anything worked; and the more we could laugh, the more we got done. And so that was probably another really big lesson.

I'm a big optimist. I really believe in setting impossible goals and then making them possible. And I really love people—and I think people feel that from me. So it's probably that sometimes very confusing mix of optimism, idealism, but also high expectations, lots of discipline, and pragmatism.

Part of the journey that those of us who are privileged, which is pretty much everyone in this country, has to make is not being embarrassed by privilege or guilty for privilege or confused by privilege, but to start from that place of recognizing that your responsibility is to use that privilege in the best way you can to serve the world. And there are lots of ways of serving the world.

The Quarterly: *Many women work in social sector, fewer in finance. Let's say actually fewer lead in finance. You've succeeded in both. Any thoughts on the skill set, and why one isn't more prevalent in the other area?*

Jacqueline Novogratz: I think that girls really are relational, and what I love about finance—and what I love about accounting even, which is kind of embarrassing to admit—is it's another form of storytelling. And if you could teach young people to find the stories in the combination of the balance sheet and the income statement, I think we would see a lot more girls taking leadership in finding that comfort.

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I just did a panel for women on Wall Street, and what they spoke about was how rigid our financial institutions continue to be around integrating women into the workforce—particularly after they've had children—and that the rules are so driven by a different kind of discipline that the social sector has taken upon itself to reinvent. And that may be more to the point as to why we don't see as many leaders—women leaders—in finance. It's a much older club. It's been driven by a stricter set of rules and expectations.

I have four brothers who all work on Wall Street, and I remember when one of my brothers' wife had a child. And I said, "Well, is there, you know, paternity leave?" And he said, "Oh, yeah. We have the most liberal paternity leave on Wall Street—but I would never take it, because if I did, everybody would think I was, you know, wimpy." And I think there's great truth to that. So there's a cultural piece that needs to be looked at. Whereas in the social sector, as a woman leader, you have the opportunity to invent the culture in which you want to work and thrive.

Young people often will come to me and say, “I really want to do this, but *first* I feel like I need to do *A, B, C, D, and E.*” In some ways I think we’ve put young people, especially, on a track where they have these expectations that they’re going to do one thing after another because that’s what everybody else does—and then they will get this freedom. And I think there are lots of different paths and that the path isn’t always clear, but you just should start; that work will teach you; and that I can’t imagine a more joyful way of living than a life when where you are serving in the spirit as equally of adventure as you are of change. *Q*