

A large, clear crystal ball sits on a dark, cylindrical base. The crystal ball reflects a serene landscape of a calm lake, green trees, and a clear blue sky. The reflection is sharp and detailed, showing the texture of the water and the leaves of the trees. The crystal ball is the central focus of the image, with the text 'CALL TO ACTION' overlaid on it.

CALL TO ACTION

2023 PREDICTIONS

Prepared by: LG Consulting, December 2022

Table of Contents

3. Executive Summary

4. What are Leaders Looking Forward to in 2023?

6. What are the Nine Predictions for 2023?

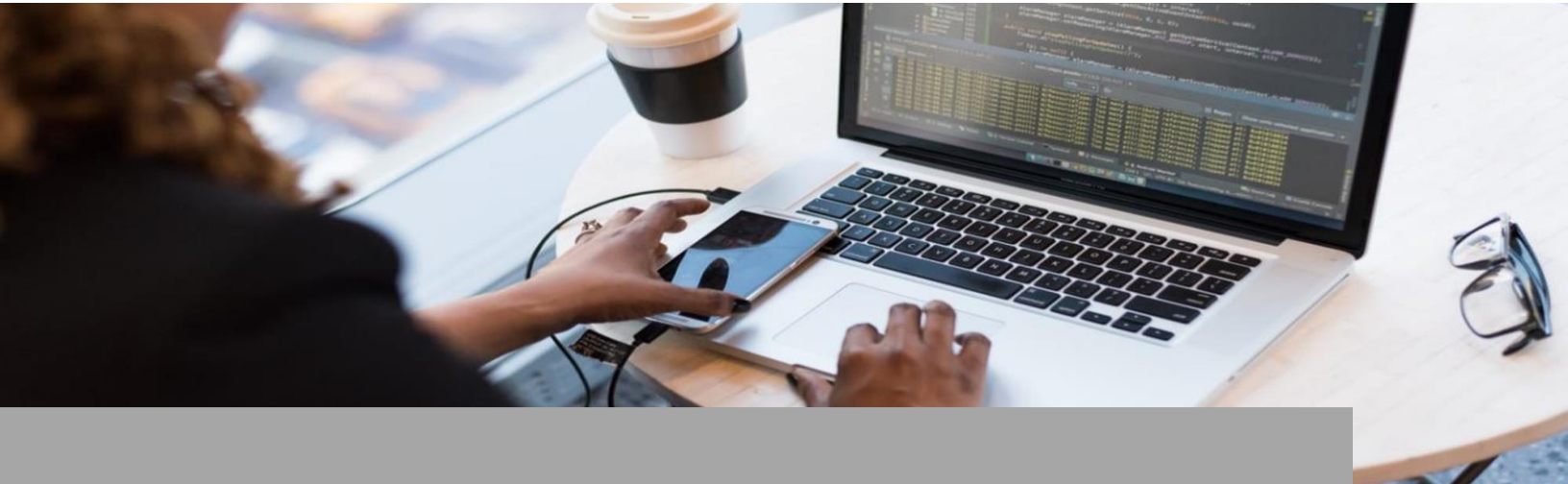
10. What are the Obstacles to Overcome?

12. What's Different in 2023: Greater Expectations, More Urgency?

14. How do Leaders Need to Show up in 2023 and Beyond?

17. How Can We Successfully Meet This Moment?

19. Our Recommendations



Executive Summary

For the past several years, LG Consulting has gathered extensive information from top executives in the international nongovernmental sector. We have discussed the uncertainty and challenges that have continuously presented themselves to us all to share insights on predictions for the upcoming years, anticipated trends, and new perspectives.

In speaking with sector leaders this year, a somber tone and a sense of embracing new realities were common. We developed our *2023 Predictions for the Global Development Sector*, compared them with the *2022 Predictions*, and spoke about what leaders are most looking forward to, what challenges remain ahead, and what the new era of leadership must evolve into to meet it all in a productive, proactive manner. For the 2023 Predictions, we interviewed more than 30 CEOs and other executives in the global development sector. The interviews were conducted from September to November 2023. Leaders were asked for their predictions as well as what programs or initiatives they were looking forward to in 2023 and how leaders would need to lead for the emerging future.

The subtext of our conversations is clear. Taking good care of the well-being of themselves and their employees will be key for leaders to come out on top in 2023. Those that are relentless in their self-awareness and self-management and find compassion and kindness for themselves and opportunities in all circumstances will be more effective and less exhausted

"There are so many issues to have righteous anger about, but we must combine it with joy and optimism, or the work that we need to do won't get done.

We can, in fact, hold righteous anger and joyful optimism at the same time."
---Susan Sygall

than those that are unable to do the same. Maintaining measured optimism in the face of reality is not easy, but key for long-term success. We are confident that those organizations that, above all else, lean into culture and develop strong teams, excellent managers, and engaged boards will thrive in 2023.



What are Leaders Looking Forward to in 2023?

Several common and intricately intertwined threads

in our discussions, focused on:

- the ability to get back to addressing issues,
- resiliency,
- and collaboration.

Many noted that while Covid-19 is now a permanent fixture in our world, we've finally learned how to handle it. And with that understanding, it is no longer as controlling in our lives as it had been

in years prior. We had been paralyzed by it for so long and now are learning how to operate within its existence. Ultimately, in many senses, it seems as if we can finally get back to the business of business rather than focusing predominantly on precautions due to a global health crisis. This, in and of itself, is liberating.

With regard to collaboration, many look forward to a more

collective search for a common ground. Clearly, the divisiveness surrounding political ideologies is only polarizing societies further. To truly move forward and make any significant change;

- we need to create the space to collaborate,
- to bring people together with varying perspectives,
- and to listen to each other.

Rather than focusing on debate, we can look forward to deliberation—where innovation and creativity thrive. Unleashing this mindset at this time will only advance us further and faster than before. It is also about engaging the people who are affected most across projects, no matter what sector. The re-emergence of increased International travel, with more face-to-face interactions and meetings, may foster stronger relationships and allow us to grow in perspective.

Another area many are anticipating is the reconceptualized business model. We've realized that the old ways of doing things aren't working anymore. And while far too many look at this as a challenge, more are beginning to see it as an incredible opportunity.

- Why not take advantage of all

that we learned during extraordinarily trying times?

- Why not experiment with new resource and revenue models in place of the shrinking of traditional funding?
- Why not learn how to be more efficient with the emergence of new technology and systems in place now, making operations smoother and allowing us all to work better, faster, and smarter?

The digital transformation we experienced during the pandemic is only going to continue ... and that's a good thing. In fact, one of the positive factors of the pandemic was that it forced many organizations into digital operations, increasing efficiency and transparency.

The enormous push on the ESG front also creates an interesting paradigm for INGOs.

For things to be:

- more long-lasting,
- sustainable,
- and regenerative,

we need an increase in introspection in defending:

- the environment and addressing climate change,
- indigenous rights,
- land rights,
- and many other unheard voices.

The exciting part is that we now have an elevated role in trying to engage more deeply on these important issues.



What are the Nine Predictions for 2023?

1. DEI – Less Talk and More Action

Over the past several years, we have talked incessantly about diversity, equity, and inclusion (DEI). Yet, at the end of the day, we still are hiring people who look and think a lot like us. And while there has been some forward momentum, action was generally limited.

In 2023, that momentum will increase as all those DEI conversations will finally begin to change behavior. We won't just talk about it anymore. There will be more documented best practices that are shared, shifting how organizations actually work. We will also see more funding for DEI officer positions and full-time employees specifically hired to make a difference in the organization and help advance DEI across the entire sector. This continued effort to actively engage with marginalized populations to ensure they are involved in creating and designing the solutions will also broaden to include people with disabilities and LGBTQ communities.

2. Localization Forces a Reevaluation of the INGO Model

Localization is a values-led decision. With this realization, the sector understands that more local means more sustainable. Localization requires

Global organizations to rethink the value add and be true to their agenda, solidifying the connection between purpose, culture, and strategy. While implementation has been sluggish to date, 2023 will see real, tangible movement.

Localization will become more than a mere buzzword. It will mean the power is being decentralized so that the people who are most impacted are the ones with a voice in developing the solution and the funding to make it happen. Momentum for locally-led development and inclusion both within agencies and large funders will include addressing the risk shifting and compliance barriers for participation.

3. Cooperation Moved the Needle

INGOs are not going to fix the massive challenges ahead by working alone, especially with more complex development and humanitarian work demanding our immediate attention. There is a collective recognition that we need to work together for real solutions. Whether it's the increased uncertainty caused by the pandemic, political instability, economic factors, or climate change – organizations are rethinking how they are doing business and better grasping that the world situation demands cooperation.

Rational heads are going to prevail in 2023. We're going to focus less on competition and more on collaboration. Whether this cooperation is a one-time joint activity, a longer joint venture, or even a merger, we will find more space of commonality to work together.

4. Social Contracts Remain in Negotiation

Social contracts are evolving as we attempt to find a balance between those who govern and those who are governed. At some point, a consensus will be found, but we're not quite there yet. Organizations closing or scaling back, remote work, hybrid work, burnout, the Great Resignation, and quiet quitting are all the issues that remain on the table.

2022 was largely a year of experimenting. Some want to be in the office; others don't. Some companies want people back; others are closing their physical doors and fully opening virtual ones.

And all of this is in light of a volatile labor market with more salary demands and challenges in attracting and retaining talent. We are in an ongoing evolution of how we're working, including seeing the impacts of those shifts – real estate leases, commuting costs, technology, and mental health.

“

“I think the social contract is still in negotiation.”

--- Andrew Wilson

Going forward, we need a conscious, thoughtful effort to ensure this evolution results in employees who are engaged and feel heard. Finding this common ground is going to be a management challenge in the coming year.

5. Climate Crisis Underpins Everything

Impending climate change issues have advanced far beyond warnings. Climate justice will take the forefront in 2023, with the focus on action surrounding the equitable distribution of benefits and burdens. Organizations will look to truly engage the populations who are the ones feeling the brunt of climate change most yet do not have a voice in the global arena.

These are the people who are being displaced due to environmental disasters with roots in climate change. Organizations are realizing how unprepared we are for the intensity of the problems we face, as well as how intricately these issues are intertwined—increased displacement means increased poverty. In the coming year, the focus will shift to the development of sustainable programming to counter the immediate needs people have due to climate change.

6. Political and Economic Unrest Impacts Humanitarian Responses

The attention span of the world has plummeted – the effects of which we see in prolonged conflicts, wars, and economic turmoil around the globe. With significant political and economic upheaval on the rise, NGOs face a more uncertain environment. Some are running all these scenarios to see what it is really going to mean – it is simply harder now.

In 2022, we saw firsthand how these conflicts have created global fuel,

humanitarian, and hunger crises, resulting in record inflation and, more recently, a continued unease over recession. And now, foreign assistance is shifting under the extreme pressure. 2023 will see concern over losing individual supporters and a shift to losing political support for universalism and humanitarian efforts, and a reprioritization of how we conduct business in light of this continuing unrest.

7. Food Insecurity Escalates

The global food crisis is the worse it has been in years, and 2023 is not predicted to bring about any relief. This drastic food insecurity is the cumulation of numerous external factors, including supply chain challenges, increased costs, climate change, and political upheavals. These factors are all inextricably linked, with severe impacts on agriculture and the distribution of crops. Additionally, due to the resulting inflation, many people no longer have the ability to afford food for their families.

“I think we have to learn that we’re going to be living in a cycle of compounding crises. That means we got to be thinking a little bit more about robust humanitarian response.”
---John Glover

Food insecurity is the dire consequence of what is happening in the world around us. And more organizations are realizing we must get much better at the immediate humanitarian response to meet these increasing needs.

8. Adaptability - Being Proactive, Not Reactive Adaptability

If the past few years have shown us anything, it is that we must expect the unexpected and be ready only to adapt but to do so at the speed of light. An organization’s survival depends on it. Our external environment is changing rapidly and in so many ways, the pace of development must catch up and be agile and flexible enough to make adjustments quickly.

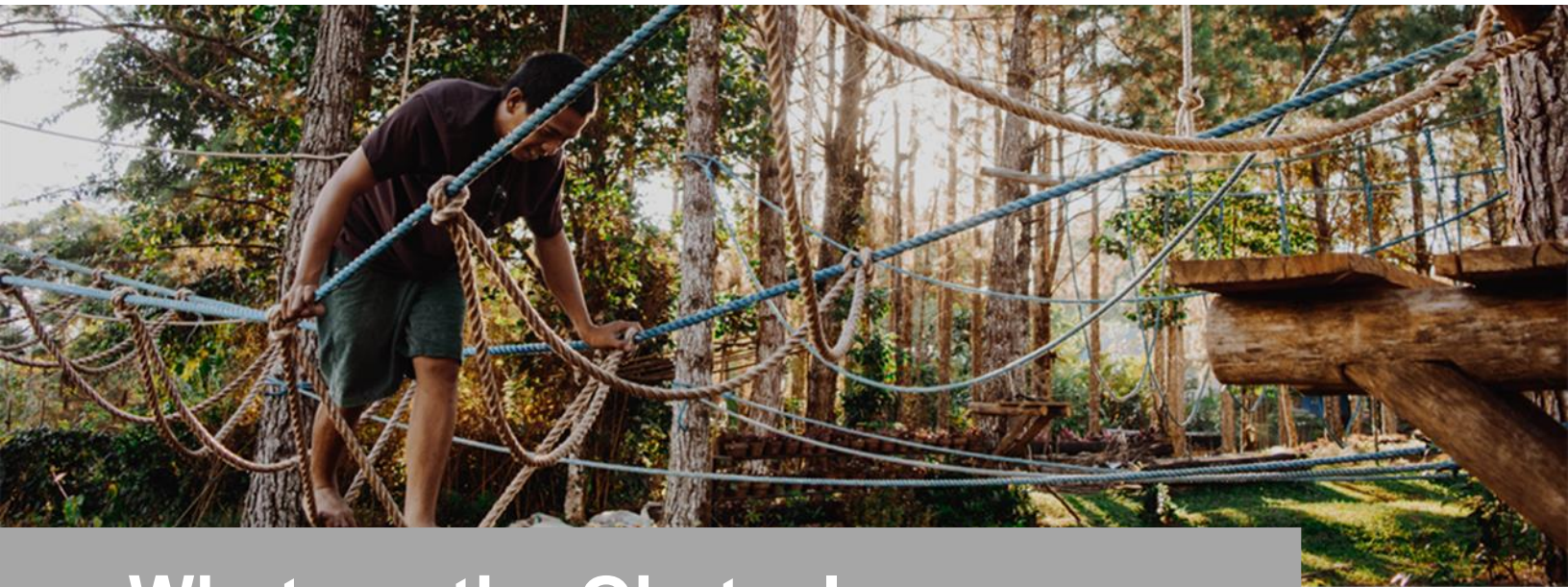
In 2023, these compounded needs are going to demand that organizations have adaptability built within their structure to have the capacity to do things differently at each level. In response, organizations in the global development sector will work smarter at both the organizational and individual levels by being more proactive and less reactive, with the ability to pivot as needed.

9. Technology Speeds Forward

Due to unprecedented needs, technology has been focused on rapid innovation throughout the past several years. However, we will see a shift in 2023 to more effective implementation and innovative pilots. There will be more strategy around how that new technology can be applied effectively in the areas of operations, growth, and connectivity in the global development sector.



Innovation will continue, of course, but we will see a more detailed focus on its effective use.



What are the Obstacles to Overcome?

The leaders with whom we spoke also targeted some potential obstacles, challenges, and even surprises going forward. With so much uncertainty and volatility, the same old things won't work anymore. Yet many are still unsure as to what will. In these cases, we all tend to go back to what's comfortable

because it's easier. But the external forces are shifting too rapidly to go backwards. This shifting takes additional time to engage different groups in productive ways and to do so with perseverance, thoughtfulness, and courage.

Navigating New Ways of Working.

Managing employees who want more connections through face-to-face interactions but may not want to come back to work fully is one example of these types of shifts. Exploring opportunities that will keep everyone happy while not inhibiting productivity or forward momentum within the organization itself will create challenges. This will be a continuous balancing act for what is best for the organization and what is best for the employees. Figuring out how to keep people motivated and working well in the “new ways of working” is challenging when so many foundational tenets have been shaken.

Securing Financial Resources.

A lack of financial support for the key shared awareness and advocacy work that needs to be done to truly change the conditions of the world is another overarching challenge.



We can have the drive, the innovation, and the people behind it, but without dollars, the work will be stagnant. Whenever there's a shift, the budget will present a challenge, and this is no different. It needs to be programmed within an already existing budget to figure out if there are additional steps that need to be taken and then determine from where that money will come.

Holding Common Ground.

The polarized political space in the US and elsewhere that is permeating all aspects of life will likely be another obstacle in getting work done as we move forward. We need to position ourselves a bit differently in order to move the needle, and that's not always easy to do, especially in the current political climate in which we find ourselves. But simply, we need to get both sides of the aisle to work together and to collaborate more in order to solve these crucial global problems. Skirting responsibility and playing the blame game gets us nowhere ... and more people are beginning to accept this as truth.

Managing in Ongoing Volatility.

The climate crisis itself, economic turmoil, and the further deterioration of the human rights framework are each their own huge challenges. There has been no significant change in effectuating measures to improve our climate crisis, and the situation only seems to be rapidly intensifying with horrifying destruction. Further, the effect of the pandemic caused huge shock waves to the economic

systems with sudden shutdowns and supply chain interruptions. These are continuing to have ripple effects through our economy and through political systems and will continue for several years. It's going to take many years before those economic and political shocks settle down. And finally, the human rights framework seems to be disintegrating right in front of our eyes, requiring a massive overhaul of international agreements as to what rights are basic to all human beings.

A 3D rendering of a man in a business suit running across a globe, carrying a briefcase. The globe is shown from a high angle, with the man running across the top. In the foreground, a large clock face is visible, with the numbers 11, 12, and 1 visible. The clock face is white with black numbers and hands. The overall scene is set against a dark blue background.

What's Different in 2023: Greater Expectations, More Urgency?

For some, when we spoke in 2021 about 2022, a glimmer of light at the end of the tunnel seemed to permeate our conversations. Then CEOs were still struggling to determine how to have a successful hybrid workplace or go completely remote.

They were wondering how they were going to pull off a locally-led development transition for their organizations. But through it all, the numbing fear and pressure from dying from Covid-19 was subsiding. So, there was naturally a glimmer of hope. Most leaders expressed a sense that things are a bit more dire this time around in thinking ahead to 2023.

Many of the issues surrounding the *2022 Predictions* remained in 2023, including DEI, locally-led development, technology, and hybrid workplaces—to name a few. In 2023, the predictions expanded in a sense in that these would become ever more embedded into the fabric of the organization and that many organizations would improve at them.

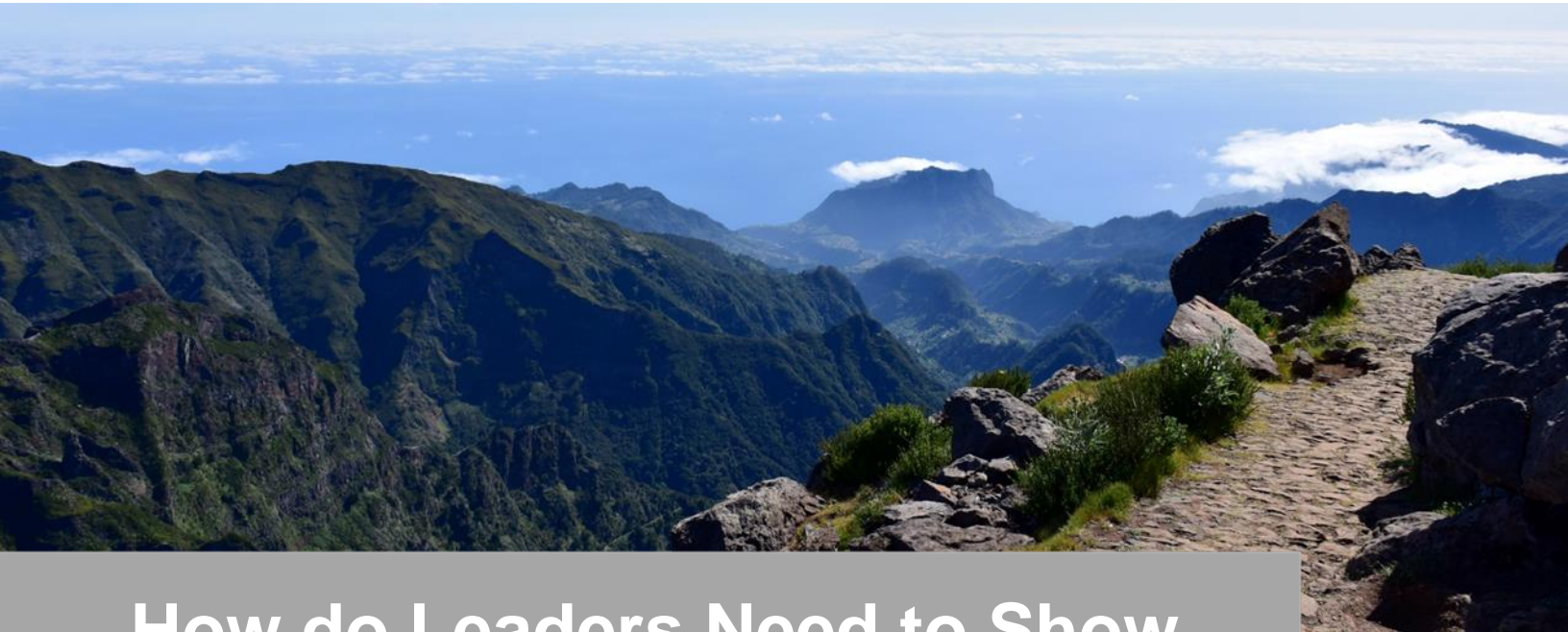
One of the *2022 Predictions* that has grown in intensity and urgency is the climate crisis. Many CEOs thought that climate would be on the agenda and progress would be made in 2022. What shifted for 2023 was the sense that the impact of the climate crisis was significantly more intense, urgent, and scary than most had envisioned initially. For instance, the devastation in Pakistan stands out.

Additionally, while the political situation worldwide was an area of concern in 2022, it has only since been magnified for 2023. Many CEOs talked about political concerns around the world impacting how they do their work and who needs their support most. Some predicted that there would be more conflicts in 2023, although where, no one ventured a guess.

Social contracting with those who are managed and those who manage also rose in the *2023 Predictions* as CEOs grapple with the changing culture the workforce is seeking. Again, while the issue itself is not new to the *2023 Predictions*, the intensity and urgency that CEOs have in addressing it successfully is new.

Taken together, all these issues transformed the tone of the *2023 Predictions*, which was, by far, more concerning, urgent, and even overwhelming at times. The external forces that create the environment in which INGOs are operating are significant.

They are not all new—conflict, food scarcity, severe flooding—but taken together, they have increased in intensity drastically. And with them, the danger of creating whiplash as organizations snap their attention and focus from one crisis to another in record speed.



How do Leaders Need to Show up in 2023 and Beyond?

Start with Authenticity.

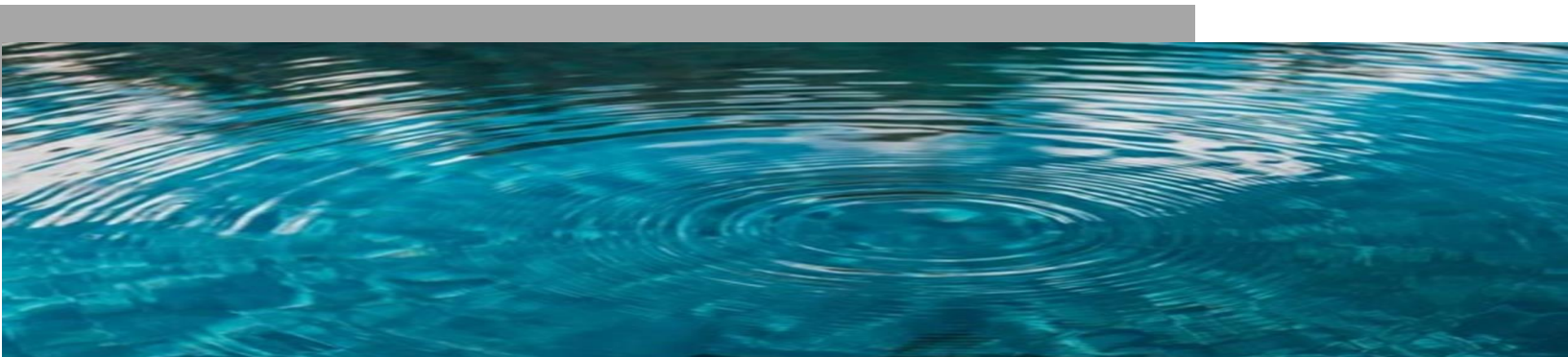
There is a shift in what leaders are doing. Simply, there has to be. They must rethink their strategies and programs to reflect our new world. It means more accountability, communication, and transparency about doing business differently. As leaders, we have to be able to be more public about what we really do and how we do it. This will be the real messaging in the world going forward. To do so effectively, authenticity is required. Compassion, honesty, and courage manifest in different ways. The sector is under pressure, and the workforce is worried about their futures. As such, they are going to gravitate toward places where there's a sense of momentum and purpose, where there's authenticity and transparency, and a competent leadership team.

Create Spaces for Listening and Learning.

As leaders, we must create a space for listening, learning, and, yes, even for failure. We must maintain that spirit of feedback, innovation, and comfort in uncomfortable times. We have to let employees take responsibility for the decisions they make at an organizational level or at, an environmental level or at any level. This generation is passionate, bright, and deserving, and we will benefit when we learn to tap into their attributes. They will show up if we give them the space to do so. It's time for us, as leaders, to be quieter and listen more ... and better. We need to hear what the problems are and understand what the solutions may be. By encouraging ideas and innovation, we will remove the perception that we are in total power and allow them to make some decisions and be accountable to stand by those outcomes.

Lead with Values.

We need to show up, excited and passionate about the work we're doing, with enough understanding of the environment around us. We need to show up as leaders who are going to allow our employees to shine and who are willing to take a stand on serious issues, especially when it's hard to do so. For true sustainable change, we must be willing to shift power and create space for its more equitable distribution. Ultimately, it's time for leaders to move from the macro to the micro. For example, many leaders are unsure how to manage a hybrid workforce, but they need to catch up. As the younger generation is recruited (most of whom have never had a typical five-day-a-week office experience) alongside others who only know the typical office experience, there will be a bit of a culture clash. Leaders must learn the techniques for managing a hybrid organization—a practical concern for many—with pragmatism and in ways that reflect the organization's values.



Respond. Don't React.

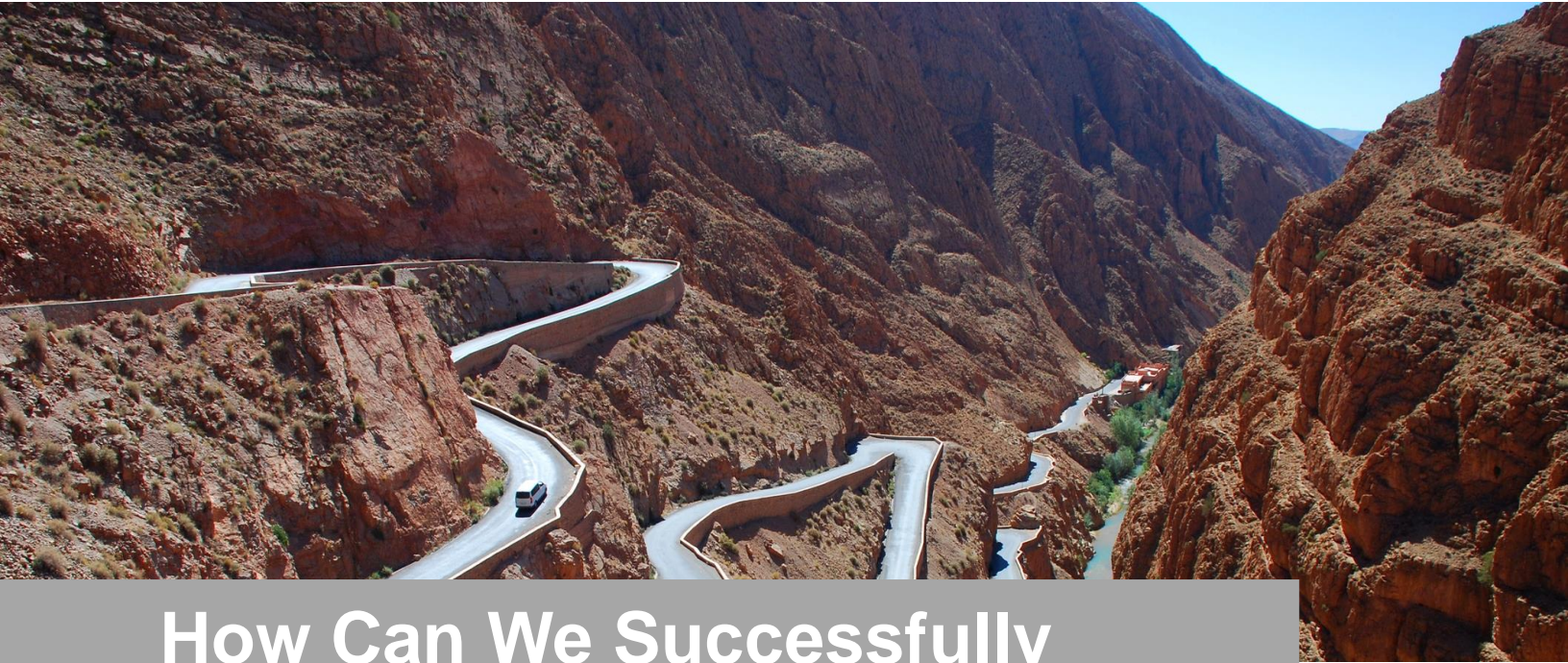
It's also imperative as leaders that we shift from a reactive mode to a more responsive one. We must continue to be flexible enough to reach for opportunities and pivot as needed. We can do this by focusing on the agility we gained through the pandemic and using it to our advantage now with more adaptive leadership and more agile tools. The speed of events is often hard to keep up with, but we must continue to be energetic, broad-based, and multi-dimensional in our leadership. We simply cannot afford to be overwhelmed by different perspectives as we navigate the correct course for the organization.

Model Self-care.

Finally, of crucial importance is to promote and thoroughly model self-care. We must ensure we're taking care of ourselves and modeling that behavior for others. Self-care must go beyond taking off a day or a week but digging deep into regenerative practices such as mindfulness and a managing mindset. In modeling the behavior we're looking for, we must commit to being vulnerable ourselves and raising our voices for others. Self-awareness is key in this respect.

For those working in this area, many look forward to real work being done around the elevation of mental health issues around the globe. These issues are not only demanding our collective attention but also having significant detrimental impacts on today's youth. These children and teens experienced major disruption at a crucial growth period in their lives. In particular, they experienced a severe lack of social interaction when they needed it most. With an increased willingness to talk about these issues, the stigmas associated with mental health are finally beginning to break down.

As leaders, we can role model the behaviors that help reduce these stigmas. Finally, self-care needs to extend to include the capacity for self-healing systems within the organization. Just as we did in the past with HIV support, expanded parental leave, and elder care, we must layer in more pandemic and mental health preparedness capabilities into our routine...for everyone's well-being.



How Can We Successfully Meet This Moment?

From our vantage point, where we are interacting with dozens of executives weekly, there is a growing awareness that leaders cannot lead others effectively without:

- impeccable self-awareness,
- self-mastery, kindness,
- curiosity, and,
- of course, a solid plan.

Based on our work and the work of others, it is clear that the leaders who will come out on top in 2023 are those leaders who do not scrimp on their deep dive into self-awareness and mastery. These are the leaders who will be able to recognize and modify their own mindsets and triggers that derail the organization and themselves. 2023 is going to be the year that will challenge all leaders to shift into mindsets that are about growth, curiosity, compassion, and opportunity – even in the midst of uncertainty and change.

For those working in this area, many also look forward to real work being done around the elevation of mental health issues around the globe. These issues are not only demanding our collective attention but also having significant detrimental impacts on today's youth.

These children and teens experienced major disruption at a crucial growth period in their lives. In particular, they experienced a severe lack of social interaction when they needed it most. With an increased willingness to talk about these issues, the stigmas associated with mental illness are finally beginning to break down.

These are also the leaders who do not go it alone. They serve, mentor, and guide as members of leadership teams to support each other and the organization in these turbulent times. Together, they plan, decide, role model, coach, and engage their departments and the whole organization to collaborate, learn, adapt, and move ahead. They recognize, engage, and utilize talent, from board members to more junior staff, in support of the mission. We also know that by the end of 2023, those organizations that tightly maintain a healthy organizational culture—one that welcomes and thrives on feedback, constructive conflict, inclusion, diversity, compassion, curiosity, trust, and fun—will be the successful organizations that stand out among the rest.



- **YOU HAVE A CLEAR, CONCISE, ON-POINT CEO ROADMAP:** By February 2023 make your plan. Our Possibility and Potential Lab can help with this.

Our Recommendations

- **THE BOARD IS SET UP FOR SUCCESS:** Conduct a quick and dirty Discovery check to unearth if your board is ready or whether inertia will delay critical actions.
- **THE LEADERSHIP TEAM READY TO DO HARD THINGS BETTER:** Do an unvarnished soul-searching about your leadership team. Are they ready to wrestle together and be in productive conflict to lead on the right path forward?
- **THE CULTURE MAKES IT EASY TO SAIL THROUGH CHALLENGING CHANGES:** Invest in a "culture audit" so you can know if your organization is ready for what is going to be the new normal.



LG CONSULTING

Lynne Gilliland Consulting



410.456.1635



Lynne@lynnegillilandconsulting.com



www.lynnegillilandconsulting.com/