



Nonprofit Leadership Pathways

By Dr. Theresa Mayberry

INTRODUCTION

As a sector, nonprofit organizations are unique in their requirement to be accountable and achieve mission while demonstrating outcomes to communicate value that attracts and sustains public support. Working long days and under strained circumstances, today's nonprofit leaders must manage complex day to day operations, provide services with proven outcomes, cultivate funder and stakeholder confidence while inspiring staff and volunteers to serve those most in need. The working experience however, for nonprofit leaders often lacks individual support and consistent skill development, a phenomenon that is receiving vital sector attention.

In the past decade, a growing recognition of the crucial importance of improving leadership and management capabilities of nonprofit executives has occurred. In 2001, CompassPoint sounded a clarion cry that the nonprofit sector was at the cusp of a "leadership crisis." A crisis framed by the rapid loss of experienced executives without adequately trained replacements.

Bridgespan, Annie E. Casey Foundation, and the Meyer Foundation studies also underscored the potential for the impending leadership erosion and appealed for strategies that increased investment in capacity building, enhanced career succession, and mobility, and the creation of new talent pipelines. Their research emphasized that executive leadership does not exist in sufficient numbers or with the adequate competence to maintain the critical work

"No matter who you are, or where you are in the country, your life is touched and enhanced by the work of nonprofit organizations" *Diana Aviv, President and CEO, Independent Sector*

of the sector over the next ten years.

The backdrop of an impending "leadership crisis" coupled the growing complexity of organizational operation, the need for new methods of executive development that tackles current need, while providing developmental opportunities for emerging and pipeline leaders begs the question, "what is the best way to provide comprehensive executive development?"

NONPROFIT SERVICES CENTER

Nonprofit Services Center (NSC) is a nonprofit management service organization with a mission to "support those who help others." In response to the call to develop new leadership development strategies, NSC received a planning grant from the Missouri Foundation on Health to study if leadership tenure was an important factor in designing and delivering skill based executive and leadership training and development.

NSC's objective was to assess the leadership challenges facing nonprofits and develop high quality

programming that meets the needs of the full spectrum of nonprofit leaders (emerging-to-senior) in Missouri. NSC selected a research methodology to gather data that reflected actual expressed needs. The final methodology involved five components:

1. Regional Electronic Survey was conducted of 541 nonprofit executives resulting in 102 responses or approximately 20% response rate.
2. National environmental scan of leadership development programs that ultimately profiled eighteen programs delivered in California, Washington D.C. area, Michigan, and St. Louis.
3. Interviews with ten national thought leaders versed in Executive Leadership Development.
4. Six Leadership Dialogues targeted to position tenure, geographic location, and organizational complexity.
5. A Board President Dialogue

One hundred and twenty-two nonprofit executives from across Missouri and the St Louis Bi-State region participated in the focus groups. Nearly 300 people informed the overall study.

To insure regional viability and model validity, NSC empanelled a highly regarded advisory committee of local experts and practitioners that included leaders of foundations, nonprofit organizations, corporate leaders, and organizational consultants.

The data, themes, and the suggestions drawn from the five components were mined in the development of a new strategic framework and logic model for a Missouri focused nonprofit leadership development. Below is a summary of the findings from each component.

I. REGIONAL SURVEY

A needs assessment survey was conducted with a pool of 541 executive directors in Missouri and the Bi-State region with a 102 respondents (20%). Responses were used to frame the questions for the six Dialogues. The research question used, “what

needs and challenges do non-profit leaders face in different life cycle stages of their organization, and tenure as Executive Directors of that organization?” A Washington University, George Warren Brown graduate student conducted the study using an online format.

The survey participants represented three tiers of leadership experience with key differences reported regarding challenges as well as, leadership needs. The tiers are:

- four years or less (51%)
- five to fifteen years (41%)
- fifteen years or greater (8%)

FINDINGS

1. Executives with four years or less experience, identified leadership, management, staff retention, staff management, and board communication and relationships as the most significant barriers. Funding was a frequently referenced barrier to success.
2. Respondents of four years or less reported a lack of adequate resources. Funding, leadership training, networking, and peer support were the most needed resources.
3. The four-year cohort rated the functioning of their organization’s internal systems, succession planning and communicating/marketing with the lowest ratings. Accountability on the other hand was rated high.
4. Executives with five to fifteen years of experience, listed mission, challenge, career building, and sudden change of leadership as reasons that they joined their current organizations.
5. The five-year plus cohort identified financial resources as a significant barrier while some referenced the lack of management and leadership skills.
6. Executives with five-year years of experience

indicated a lack of adequate resources to support their role as the executive director. In addition, most thought they were compensated moderately with an average rating of 5 out of 10.

7. The final cohort of fifteen-years or greater, the smallest group of respondents to the survey, identified scarcity of general operation factors such as funding, staff, and time as their most significant barriers.
8. Fifteen-year executives reported adequate resources to support them in their role as the executive director, which diverges from the responses of executives with less tenure. For these respondents, financial support, additional administrative staff, and assistance with oversight, management, and training of operations were the most needed resources.

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9. Succession planning received the lowest rating for the fifteen-year cohort, when asked to rate the functioning of their organization’s internal systems and accountability and recruiting and retaining staff were rated the highest.
10. Across the tenure-based cohorts there were consistent responses regarding access to needed supports. All reported needs in fundraising/ financial and management training and coaching as their first and second priority for training and/or development. They reported they would pursue to hone their skills if unlimited time and resources were available.
11. The most tenured leaders added building public relations with government entities and media, and skill development in public speaking and internal system’s management such as finance and HR in their priority list honing skills if they

had unlimited time and resources.

12. Overall, there was a consistent lack of satisfaction with compensation received in comparison to their responsibility as organizational leader.

LESSONS

1. Mission of an organization remains the primary influencer in the decision of the executives in selecting their positions.
2. The consistent barriers within and outside the organization are leadership development, financial resources, and staff management/retentions. Organizations need investments in financial and staff management as well as, leadership trainings regardless of tenure.
3. Peer support and/or coaching are more important for beginning and mid-career executives. In addition, networking practice is a unique need of new executives.
4. Succession planning remains an unmet need in the sector and needs addressing to improve organizational sustainability.
5. Compensation is a greater concern among first-time leaders. As leaders grow in their tenure they seemingly are either, better able to negotiate appropriate or become comfortable with their level compensation.
6. The decision to remain in the sector and/or in their current position is seemingly influenced by tenure, organizational stability, satisfaction, and personal growth opportunities.

II. ENVIRONMENTAL SCAN

Academic and management support organizations from across the country offer a range of support to leaders so they can better serve their organizations. NSC gathered data on the current approaches to leadership development; two Coro Fellows conducted the environmental scan.

The final report identifies twenty leadership development programs with eighteen actual profiles that represent programs delivered in California, the Washington, D.C. area, Michigan, and St. Louis. This report provides insight into how leadership-training programs can be developed, delivered, and measured.

FINDINGS

1. The target audiences for the profiled programs represent training for emerging leaders, new or recent executive directors, and veteran executive directors. The typical focus is broadening vision, expanding knowledge, enhancing leadership capacity, enlarging networks, and increasing confidence.
2. Programs vary in size and approach. Some incorporate seminars designed to occur periodically while providing an opportunity for personal reflection and individual learning, while others pay attention to individual leadership qualities and management topics.
3. Measuring outcomes among programs was inconsistent. Programs use qualitative data through surveys and evaluations. Several programs did not actively measure outcomes or relied significantly on anecdotal evidence.
4. There is practical application of learned skills: some participants complete an intensive individual project, determined at the beginning of the program by the participant and program staff that also serves as a measurable outcome.
5. Most programs provide a peer-to-peer component through a facilitated group discussion that focus on learning.
6. Program faculty is a significant contributor to program development. Faculty is typically a single consultant or trainer augmented by content experts. This represents the major expense of all programs.
7. Programs costs are supported by varying degrees of foundation support balanced in most cases with individual program fees that ranged from free to \$6,000.

LESSONS

1. For the program to nurture, link, educate, and further develop executive leadership capacity, programs require financial resources that are consistent and responsive to specific outcomes.
2. Programs must engage participants by incorporating their specialties into the program design. This ensures real world application of content and it fosters collaborations and stronger networks.
3. No programs currently exist that provides leadership development in the full scope of leadership needs (emerging, mid-career, senior).

III. NATIONAL THOUGHT LEADERS

Ten thought leaders representing academia, foundations, leadership programs, management service organizations, researchers, and authors of leading studies and articles on leadership participated in telephone interviews. Each 30-45 minute interview focused on five questions:

- Where do you believe the greatest needs exist for leadership development?
- Is there a need for tenured-based leadership development? Are you aware of programs that provide this array of services?
- Who are the leading thinkers that should be interviewed in nonprofit leadership development and why?
- How and why did you design your leadership program? What have you learned?
- What issues should be considered in creating a tenured-based leadership program? Is the concept viable?

FINDINGS

1. Leaders are a critical part of infrastructure in organizations, which is the case to be made for investing in leadership development.
2. A need exists to build a new mental model for nonprofit leadership. Current mindsets need chang-

ing that shape behavior and expectations (internal and external).

3. It is more effective to mix leaders by the “complexity” of their responsibilities (Georgia Nonprofit Center), “Size matters” because CEOs of large complex organizations have more to think about than smaller single program organizational executives.”

4. The sector needs a new theory of leadership. Nonprofit leadership is complex, interdependent and too much work for one person.

5. The need exists to create specific nonprofit pedagogy that builds sector capacity as well as, fidelity.

6. There are two models of thinking related to preparing people to achieve leadership results. 1) Old thinking is sector based and 2) New thinking is by experience and cross-sector exposure.

7. Customized leadership training is a preferable methodology because it is based on both the organizational complexity and the life cycle of the executive.

LESSONS

1. The concept arose of a “spectrum of leadership” that focuses on leader development gaps, building social networks, and a system that insures that “what the leader needs, the leader gets.
2. Talent development and increased capacity through training, skill development, and measuring change is the challenge in creating a new leadership development model.
3. Consideration should be given when developing and investing in a leadership development program to four basic reasons: a) some number will leave the field, b) some number are constrained by organizational need/lack of support, c) some number is wrong for the field, and d) for some number it is the wrong time for the investment.
4. There is a need for strong diagnosis to improve the work of nonprofit leadership development, particularly when working cross sectors. There

are for profit models that can be redesigned for the nonprofit sector, particularly on pure tenure-based programming. There is no need to reinvent the wheel that builds human, social, and monetary capital, and a social network.

IV. LEADERSHIP DIALOGUES

Participants in the “leadership dialogues” included a wide range of leaders with an array of organizational tenure. One hundred and twenty-two people participated in a series of six meetings held from June to August 2008.

Three of the dialogues had a thematic focus. Discussion concentrated on the developmental needs of executives and if the length of experience influenced needs. Participants represented rural, urban, and metro east leadership perspectives. Special attention was given to the effect of geography and organizational complexity on developmental needs.

The fourth dialogue was retrospective in nature because participants concentrated on leadership development needs of executives with more than fifteen years of experience. Participants in this dialogue led large as well as, national organizations, which gave them a different worldview of leadership needs.

The fifth dialogue was a conversation with executives of Rural Missouri. The thematic focus involved the identification of special leadership challenges (if any) and determining what skill development would provide the best support for those challenges.

The sixth and final dialogue engaged nonprofit Board Presidents who regularly participate in quarterly meetings. This dialogue provided information about the role a chair plays in the development of an executive’s skills. An unexpected discussion arose about the developmental needs of new board chairs and how best to address those needs.

FINDINGS

1. The list of admired leadership qualities was a mix of competencies and personal traits (negotiator, flexible, visionary, passionate, integrity, dedication, personal connection, knowledge, etc.).
2. The public must not assume that new leadership has leadership training.
3. There is a need to define and upgrade leadership competencies within the sector.
4. The role of the board in executive development is neither defined nor consistent across organizations within the sector.
5. Unique challenges exist for executives leading organizations in rural communities. Challenges range from finding competent staff, securing adequate resources, to managing the influence of “small town” politics on organizational decision-making.
6. Unanimous agreement was expressed regarding executive development and training required for core skills (financial management, governance, fund development, human resource management, communication, strategic planning, outcome measurement, technology, and program development).
7. Leadership and organizational life cycle influence the nature, content, and length of development needed, and or wanted. Life cycle considerations also play a significant role in appreciation and engagement in social networking, peer-to-peer support groups, and the frequency of training cycles requested.
8. Senior leaders defined their learning needs as those skills necessary to be effective. They included the following abilities: consensus builder, communicator, cultivating relationships with their board and funders, entrepreneurial risk taking, managing deferred gratification, and making decisions and facing fears straight on.

LESSONS

1. Good programs should include team building tools, system building, effective management of small staffs, successful evaluation tools, risk management, distance learning opportunities, kindred organization participation, and checklists of competencies and tools.
2. Programs that support board chairs in their organizational role as well as, their role in supporting the development of executives of their organizations are needed.
3. The reality of nonprofit life requires a faster, continuous cycle of strategic thinking and action related to leadership enhancement, grooming, and development.
4. There are positive aspects for leading organizations in rural communities. Those include ready access to civic leaders, recognition, increased creativity, and stretching and sharing limited resources.
5. Senior executives (ten or more years) and those with large and complex organizations defined their learning and development needs more narrowly. The substance of a leadership program should include leadership self-awareness, organizational development, and external communication.
6. Nonprofit leadership development needs a system that responds to today’s rapidly changing environment and that does not require clever workarounds like “fast track skill development.”
7. Top tier executives would benefit with mentorship matches who are familiar with their specialty. They would also derive benefit from executive coaching.

“The long-term goal is to design a format that provides professional development within a framework that supports the career path for nonprofit leadership in Missouri.”

New Pathways for DEVELOPING LEADERS

“Being an executive director can be an incredibly isolation experience, with very few opportunities for reaffirming spaces that allow for continued personal development, reflection and growth.”

NSC anticipated that lessons learned from the project would benefit its strategic thinking and development of nonprofit Leadership Pathway model. NSC also recognized that there are few opportunities for strategic dialogue of the nature and scope of this project. As such, it had the rare privilege of listening and harvesting good ideas from respected and thoughtful leaders. The homogeneity within and across groups was impressive.

The proposed model therefore, reflects the lessons learned and the suggestions that received consensus. Overall, the findings argue for a model with high levels of fidelity in:

- Creative and responsive offerings to leaders that is flexible and cost effective.
- Models for action learning that connects leadership development with organizational development.
- Ongoing support through mentoring, coaching, consulting, and financial support.
- Professional development for second tier and midlevel nonprofit leaders.
- Foundation and donor support for people leading organizations.
- Platforms for building networks of leaders and alumni groups.
- Creation of cultural norms for career paths and recruitment to executive leadership.

- Identification of consistent and sustainable funding for leader development.
- Framework for service and operational excellence.

Based upon project learning, NSC will pilot a two-year phased model and evaluate the model's effectiveness. The long-term goal is to design a format that provides professional development within a framework that supports the career path for nonprofit leadership in Missouri.

SPECIAL THANKS

Nonprofit Services Center Board of Directors

Missouri Foundation for Health

Leadership Pathways Advisory Committee

Washington University- George Warren Brown School of Social Work

Coro Fellows - Cohort of 2008

Dialogue Participants

Thought Leaders

APPRECIATION

Dr. James Kimmey, President, Missouri Foundation for Health

RESOURCES

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ADDITIONAL INFORMATION

For more information on New Pathways for Developing Leaders, please contact Dr. Theresa Mayberry, project director, Leadership Services at Nonprofit Services Center, www.nonprofitservices.org, or 314.436.9580.

