

# Help Wanted: Leaders for the nonprofit sector

## *Situation Desperate. Call Immediately!*

Every day I hear cries from board members, volunteers and even employees for people who can demonstrate dynamic leadership in our voluntary and charitable organizations. Fine. The opportunities abound. But if *you* want to be a leader you must first learn, master and demonstrate a wide range of key leadership skills.

### **A tectonic shift in the environment**

Although the sector has always expected conviction and passion from those at the top of organizations, a more demanding and fluid environment has elevated the pressures on today's leadership.

What has caused this seismic shift? In the past five to eight years, many organizations became larger and more complex. Along with this complexity, board and committee members, largely drawn from the private sector, have increased their expectation that charitable organizations will meet private sector planning and management performance standards. Meanwhile, the pay scale for good leaders has increased dramatically, bringing an increased expectation for results from boards of directors.

### **Harder than ever to raise money**

The clichéd whine that government has decreased its funding is true, but that's only part of the story. As our governments pulled out of the many areas they formerly supported, the responsibility to deliver the services involved has devolved onto those charitable organizations left standing amid the wreckage. Meanwhile, new government policies, such as the

proposed *Privacy Act* in Ontario and other provinces, are threatening to make it harder than ever to raise the money required.

Finally, to complete a truly deadly triple-whammy, restive donors and other stakeholders are insisting on more transparency and accountability in nonprofit management and reporting. A reflection of this general dissatisfaction with the performance of the sector's leadership is the fact that one of the most widespread current perceptions in and of the sector by board members, volunteers and even practitioners is that there is a desperate shortage of talented individuals with adequate leadership skills. They're not at all certain that we're up to the challenge!

### **It's all about results**

Leadership is, of course, a perennially hot topic, with hundreds of books available in your local bookstore to instruct you. But what does it really take to be a leader in this sector? Is it any different, or can we just import leadership skills from the corporate sector?

The core responsibility of all nonprofit leaders is to build a sense of community within their organization, a particularly important challenge for so many nonprofits that have volunteers working side by side with paid staff. In addition, we look to our leaders to develop and implement a strategy to move the organization forward, and then to manage the organization's resources to deliver value to the stakeholders once the strategy has been formed. Really not much different from the for-profit sector.

These, however, are just words. What boards of organizations really seek today are charismatic motivators who can marshal the people, capital and intellectual resources, and then focus them on achieving a set of predetermined goals. A leader's job is to get results. Are you up to it?

## **What we want in our leaders**

### **A visionary**

Visionary leadership is the most sought after skill. All organizations are seeking leaders who can survey the landscape, identify the needs and motivate themselves and others to action. There are, of course, many potential visions. The effective leader must seek (and find) the most appropriate one for the organization, and then inspire the commitment and enthusiasm that will make it happen.

### **A strategist**

In the corporate world, where strategy is often a matter of survival, leaders develop precision strategies to differentiate themselves from competitors, introduce new products and grow their companies. The appropriate strategies for each organization will evolve from and through, not only its mission statement, but also a bold vision of the future. A survey by the American Society of Association Executives concluded that the characteristic that distinguishes "very successful" from "less successful" nonprofit executives is their ability to develop and define policy and to focus on long-range strategic objectives.

### **A change agent**

As Warren Bennis, one of the leading scholars on the subject of leadership, puts it, "a leader is, by definition, an innovator." She does things other people haven't done or can't do. He does things first. Makes new things. Remakes old things. "Having learned from the past, the true leader lives in the present, with one eye on the future."

The effective leader mines the environment for fundamental societal changes by keeping a watching brief on a wide variety of influences, including shifts in the community's needs; political, economic and social trends; sectoral growth; and technological capacity and the drive for greater efficiency. As change agent, the leader will review and choose priorities, assemble a range of alternatives, and have the force of character to support or veto recommendations. The leader's value to the organization, however, will be evaluated not from the choices he or she makes, but rather

from the *tangible* results of these judgments over a period of time.

### **A coach, mentor, team- and relationship-builder with passion**

So what does passion have to do with it? In fact, a visionary, change-making strategist will founder without passion for the cause. That's the intangible quality that ignites the energy needed to attain the vision. This ability to transmit optimism and hope, to build the organization, and to move it forward is most potent when coupled with actions that inspire others.

Another challenge peculiar to the nonprofit sector is the need to build teams involving volunteers, clients and staff. Leaders, to serve their constituents most effectively, must demonstrate their ability to act as coach, mentor and team-builder for all of these groups. As a result, a key function of leadership is establishing high standards of performance and knowing when -- and how -- to give both appropriate praise and constructive criticism.

New leaders find that the area most fraught with frustration and complication is their relationship with the board of directors. In fact it is generally only through experience that new leaders really learn how to work with "the board", which holds, of course, not only the legal and financial clout, but also the power to hire and fire the CEO.

Nonprofit boards are almost universally composed of volunteers from the community recruited, in the best instances, for their interest in the organization and their ability to bring key skills to decision-making concerning major policy, mission and vision. Leaders who succeed make it a point to continually develop their knowledge of board structures and systems, governance, and relationship building.

### **Walk about and build an army of advocates**

Too many nonprofit leaders manage from their offices, cut off from their major stakeholders, and collecting information second-hand from others. The most successful CEOs, on the other hand, get out, walk about, ask questions, and continually develop an ever-increasing number of networks and relationships with everyone who has a stake in the outcome of the organization.

As their organization's chief spokesperson and advocate, leaders must communicate clearly and persuasively both within and about their organization. It is the leader's responsibility to connect and sustain ties with staff, clients

and customers, volunteers, donors, advocates, other nonprofits, government, the media and the community at large. An impossible task? Not if you, like many other good leaders, have built an army of advocates inside your organization that can be delegated to fulfill many of these social and political obligations.

### **Balancing the budget**

One of your key responsibilities as the leader is to ensure the financial viability of your organization. For most nonprofits, that means that the CEO must have a good knowledge of the elements of, and participate in fundraising. Even a professional development staff and a board that understand their role in the development process will look to the CEO to lead the way as the chief campaigner. In fact, the leader articulates the case statement, hires and sets priorities for the development staff, participates in closing for major donors and acknowledges and recognizes donors. And always, you'll need to set out clear expectations of the board's role in generating new financial and volunteer resources.

Ultimately, the two central characteristics of successful nonprofit leaders come to the fore: accountability and the ability to successfully deliver measurable results. When the chips are down and the renewal of your employment contract is in the balance, your organizational success will be measured by a range of legal, board, donor, client, staff and volunteer and community accountability factors. Nonetheless, a more personal appraisal of your performance as leader will be demonstrated by *how* the organization improved its effectiveness, by the *quality* of your relationships and by your *professional competence* while carrying out the task.

### **How do you measure up?**

Perhaps you have read or heard all or some of these leadership qualities before. So how do *you* really measure up to the task at the end of the day? Are *you* leadership caliber?

Take time to understand the changing Canadian nonprofit landscape, and the new realities of leading these increasingly complex, dynamic organizations. As a leader for today and tomorrow, review your own leadership skills, and be brutally honest with yourself. Is there room for improvement? Ask yourself, 'Where will I go to fill in the skills I need?'

Do it now! There are so many organizations that are in need of your leadership.

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*Canadian FundRaiser, October 3, 2003*