

Identifying and Growing Nonprofit Leadership Talent: Implications for Leadership Development

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“If you have the ability to take something apart and put it back together so it looks different and is different, then you really have something... Knowing that has been a very important part of my development... when someone looks at something and says “that’s impossible”, I can look at it and say if you change that one thing, it’s not.”

Primary Research Questions

- What leadership competencies do effective nonprofit leaders in the human services field exhibit/need?
- Do these competencies differ by budget size?
- What developmental activities have been most effective for leaders in developing leadership?
- What are the implications for funders and Boards of Directors seeking to provide technical assistance and leadership development?

Methodology

1. Identified and recruited 37 Executive Director participants
2. Administered an online questionnaire to gather personal background and organizational information
3. Conducted focus groups (based on budget size) to identify competencies
4. Personal interviews with each participant to gather information on leadership development
5. Online survey administered to at least five board members of each organization

Demographics of participants

- Average age: 50 years (range 29-66)
- 75% white; 25% black
- 54% female; 46% male
- 65% had a Master’s Degree
- Average tenure in position: 9 years 8 months
- Range from 1 year 11 months to 30 years 1 month

Organizations’ Characteristics

- Budget range from \$200,000-\$42,000,000
- 10 organizations <\$1M/year
- 12 organizations \$1M-\$5M/year
- 15 organizations >\$5M/year
- Median number of FT/PT staff: 58
- Median number of board members: 19
- 81% have a strategic plan
- 72% have an identified “second in command”
- 21% have a formal succession plan in place

What leadership competencies do effective nonprofit leaders in the human services field exhibit?

“Raft management does not work... there must be a rudder to drive your decisions as a leader.”

- Personal strengths identified by participants
- Ethics & Trust
 - Managing Vision & Purpose
 - Decision Quality
 - Motivating Others
 - Customer Focus
 - Presentation Skills
 - Interpersonal Savvy

- Needed to run an organization
- Ethics & Trust
 - Managing Vision & Purpose
 - Motivating Others
 - Decision Quality
 - Strategic Agility
 - Customer Focus
 - Priority Setting

Do these competencies differ by budget size?

Under \$1M	\$1M-\$5M	Over \$5M
Ethics & Trust	Ethics & Trust	Ethics & Trust
Managing Vision & Purpose	Managing Vision & Purpose	Managing Vision & Purpose
Motivating Others	Motivating Others	Motivating Others
Priority Setting	Decision Quality	Decision Quality
Process Management	Strategic Agility	Strategic Agility
Planning	Composure	Composure
Action Oriented	Delegation	Delegation
Organizing	Organizing	Timely Decision Making
Political Savvy	Political Savvy	Perspective

“I’ve always been intrigued with challenges, and being able to make change. I get bored maintaining things; I get excited by struggles and challenging projects.”

- Regardless of Size
- Ethics & Trust
 - Managing Vision & Purpose
 - Motivating Others
 - Decision Quality
 - Strategic Agility
 - Customer Focus
 - Priority Setting

- Depending on Size
- Smaller: hands-on management
- Action-oriented
 - Process Management
- Larger: strategic and empowering
- Strategic Agility
 - Delegation

What developmental activities have been most effective for leaders in developing leadership?

- Four broad categories of development experiences
- ❖ Personal or life experiences (upbringing, faith, natural talents, early family life, etc)
 - ❖ Change in scope or role, including unexpected changes
 - ❖ Overcoming hardships, including turning around something that is failing

“People ascend into leadership roles nowadays as opposed to knowing the basics about the population you’re looking to serve... my values as a leader today hold with (the people I serve). That experience is immeasurable; you can’t clone that in a classroom or a program you might go through.”

- ❖ Significant other people (mentors, bad/good bosses, coaches, peers, etc)

Most effective development exercises identified by participants:

- ❖ Personal or life experiences
- ❖ Learning from mistakes
- ❖ Change in scope or role
- ❖ Had a mentor
- ❖ Learned from a good boss
- ❖ Overcoming challenge / hardship (includes starting something new)
- ❖ Executive coach
- ❖ Having a bad boss

What does this mean?

- ❖ Other studies: Hardships (overcoming adversity)
 - More often cited in other studies of leadership
 - In our study, participants described all of non-profit experience as “hard” or “challenging” and overcoming adversity as such an intrinsic part of the job that they didn’t see it as a unique experience.
- ❖ Other studies: Diversity of experience
 - Non-profit leaders typically do not have the same opportunities for a diversity of roles
 - Many of our participants did cite a change in scope or unexpected change in their role (being asked to take on the leadership role) as developmental.

How effective as leadership development tools are the performance evaluation processes currently in place in our participant organizations?

- Average performance evaluation effectiveness rating was a 3.25 (on a scale of 1-5).
- 10 participants had received 360-degree feedback at least once in their careers
- Many research studies indicate feedback is important to leadership development especially early in a job or career.

“(In my peer group), I probably listen a lot more than I share. I realize that I’m not the only one that doesn’t know how to do things...”

- Feedback for nonprofit E.D.s is rarely specific or focused on leadership skills.
- Opportunity to enhance leadership skills through improving the annual performance evaluation process

Implications for Hiring

Create interview questions and cases that will elicit the level of competency in:

- Ethics & Trust
- Managing Vision & Purpose
- Decision Quality
- Motivating Others
- Customer Focus
- Strategic Agility
- Priority Setting
- Delegation*
- Process management*

* Depends on the size of the organization

Look for Experience in:

- Fundraising and Resource Generation
- Managing Growth and Change
- Staff Management and Human Resources
- Communicating with and Engaging Constituents

Implications for Developing the Next Generation

- Individual learning styles and behaviors suggest that each individual development plan will be unique.
- Clear and meaningful feedback on skills and competencies is important
 - Performance reviews and other quality feedback mechanisms can be an inexpensive and effective way to develop leaders
- Varied experiences in different functions of the organization and different organizations
- Mentors and coaches will be useful for most
- Working with the Board or working on a strategic plan

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