Executive Directors Guide

The Guide for Successful Nonprofit Management

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LEADERSHIP

"The best leaders operate in four dimensions: vision, reality, ethics, and courage. . . The real challenge of leadership is to develop all four of these often-contradictory modes of thinking and behaving at once."

— Philosopher Peter Koestenbaum, interview in Fast Company, March 2000

So much has been written on the subject of leadership (including, inevitably, *Leadership for Dummies*), that to try to cover the topic comprehensively in one, brief chapter is an impossible task. (A recent article in the *Harvard Business Review* asserts that 2,000 books on leadership were published in 1999). So we won't try. Instead, we address what we believe are the critical leadership issues for executive directors of nonprofit organizations, including:

- demystifying the concept of leadership and presenting a simple model for understanding it;

- stimulating readers to think about their own leadership competencies and styles;

- encouraging self-reflection; and

- making a case for participatory, partnership-based leadership, where decision-making authority is distributed throughout the organization.

To give you an idea of the range of opinion on this topic, consider these opposing quotes from two noted authors:

"Vision is the commodity of leaders, and power is their currency."

— Warren Bennis, author of numerous books on leadership

"The belief that crafting the vision is primarily a leadership-at-the-top function defeats, right at the beginning, the intent of driving ownership and responsibility toward those close to the work…"

— Peter Block, consultant and author (Flawless Consulting, The Empowered Manager, Stewardship)

A Four-Step Approach

Unlike many of the subjects covered in this guide, leadership can't be learned from a book. Effective leadership is in large part a matter of personal values, choices, commitments, and characteristics – tempered by experience. Much as we would like to believe otherwise, not everyone has what it takes to be a leader. However, if you have the right raw material to begin with, it is possible to become a better leader by reading and reflecting on the latest research and best thinking on the subject and by putting into practice the ideas that resonate for you.

We suggest a four-step approach to leadership enlightenment and growth:

1 Define it for yourself. The above quotes from Bennis and Block offer radically different views of leadership. In fact, Block eschews the word altogether, preferring the more democratic "stewardship." The way you envision your role as executive director (your "mental model") shapes everything you do, from your relationship with your board, staff, and funders to the way your budget is put together; even the physical layout of your office space can be affected by the way you think of your role in relation to other staff and the organization as a whole.

Do you have a clear enough mental model of your role as a leader to write it down in one or two declarative sentences? Try it here:

My role as the leader of my organization is to

_____

_____

_____

_____

Was it hard to do? Was your description closer to Bennis or Block? We admit to a bias; we are strong believers in the stewardship model articulated by Peter Block. We think it's the model best suited to twenty-first-century realities where the ability to adapt and make rapid responses to change will be a necessity for every organization's survival. It is very difficult for an organization to be flexible and adaptable if power and decision-making are concentrated at the top, no matter how open-minded the person at the top may be.

2 Evaluate yourself. As a leader, where do you fall on the spectrum of styles and characteristics? How do you even know what this spectrum looks like? A great deal of information is available to anyone with the time to immerse himself or herself in the literature. We recommend taking the Myers-Briggs Personality Inventory, the Learning Styles Inventory or some other assessment tool. Read some of the scores of books on leadership.

A study[1] conducted by the consulting firm Hay/McBer identifies six distinct leadership styles and analyzes their effectiveness in creating a positive working environment and yielding good financial results. The following table presents the chief characteristics of the six styles of leadership.

Leadership Style	Chief Characteristic
Authoritarian	Demands compliance
Affiliative	Creates harmony, builds emotional bonds
Democratic	Forges consensus through participation
Authoritative	Mobilizes people towards a vision
Pacesetting	Sets high standards for performance
Coaching	Develops people for the future

According to the study, the authoritative, affiliative, democratic, and coaching styles were considered effective in promoting a positive work environment and yielding good financial results. The best leaders were those who had mastered all six of these styles and could draw on any one of them when appropriate. The *key point* is that good leaders can adjust their leadership style as needed and are sensitive to the impact they are having on others.

Another Perspective on Leadership Qualities

Another perspective on leadership qualities was recently offered by Robert Goffee and Gareth Jones[2], who claim to have identified four qualities that define inspirational leadership. Their work, which assumes that the basic elements of vision, authority, energy, and strategic direction are already present, concludes that inspirational leaders:

- selectively show weakness in order to establish trust and authenticity (Authors' note: the reality of gender bias suggests to us that this strategy will work better for male leaders than for female leaders.);

- use instinct and intuition to sense the appropriate timing and course of actions;

- use "tough empathy," by which they mean balancing respect for the individual with respect for the task at hand; and

- demonstrate unique qualities to create the distance necessary for effective motivation of others.

3 Make a choice. Ask yourself what kind of leader you want to be. Ask what style of leadership will help you grow as a person and help your organization reach toward its mission and vision. Develop a vision for yourself as a leader and commit yourself to working toward it. Remember the fundamental rule: you must be authentic to be an effective leader in the long term. If you try to emulate someone else, even one of the many leaders who have written books describing their own wonderful successes, you will be heading in the wrong direction.

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[1] The Study, conducted by the consulting firm Hay/McBer, was analyzed in Daniel Goleman's article *"Emotional Intelligence," Harvard Business Review,* March-April 2000. The table was drawn from information presented in the same article.

[2] See Goffee, Robert and Jones, Gareth, "Why Should Anyone Be Led by You?" *Harvard Business Review,* (September-October 2000): 63-70.

4 Create a plan and put it to work. Make a step-by-step plan of what you must do to realize your vision of leadership. Try not to censor your own thinking. Here are a few ideas to use in developing your plan, but remember, each element in the plan should move you towards the leadership vision you have articulated for yourself:

- Listen more and talk less.
- Take a vacation.
- Take a course on financial management.
- Immerse yourself in the leadership literature.
- Share information – and the nitty-gritty details of your decision-making process – with other staff members more regularly.
- Take more interest in the opinions – and problems – of your coworkers.
- Delegate more tasks.
- Find a job that is a better fit for you.
- Take strong action on that long-standing board or personnel matter that's been causing you to lose sleep.
- Learn to control your anger.
- Learn to let your anger out.

Whatever elements your plan contains, be sure to include peer support and plenty of feedback. Peer networking offers an invaluable learning tool for executive directors. If you don't have a peer network or can't find one to join, start one! It's easy. Just call two or three colleagues whom you trust and respect (and from whom you think you can learn something), and ask them to join you once a month for a discussion among peers. Make it a priority. Block out a couple of hours on a regular basis to meet and provide support for one another. Use the time to share fears, fantasies, problems, successes, and resources for learning. If you think you are too busy to do this, consider whether your work style will serve you and your organization well in the long term.

Participatory, Partnership-Based Leadership

We believe that the leadership style best suited to nonprofit organizations regardless of size is one based on the partnership model. In an important sense, we are fortunate as nonprofit leaders. We don't have to grapple with what philosopher Peter Koestenbaum describes as a major paradox for business leaders: how to preserve human values while coping with a "brutal business reality." Sure, we have to pay careful attention to the bottom line and make tough, sometimes painful decisions, but our mission is what drives us. We do not have to choose between valuing profit and valuing people.

Third-sector organizations exist to make communities better places for people to live, not to maximize the income of their shareholders. Therefore, we believe nonprofit organizations should adopt organizational models consistent with a focus on people rather than profit.

People-centered systems and practices can and do work well in nonprofit organizations, community-based organizations in particular. Organizational models based on partnerships among board, staff, and other stakeholders hold true to the values we espouse. Ironically, in pursuit of management efficiency, many in the third sector have looked to the for-profit business sector for models. This approach, when it discounts the human values on which most nonprofits are founded, often results in a disconnect between mission and internal practices, creating staff dissatisfaction, turnover, and ultimately alienation of the organization from those it exists to serve.

If the participatory or partnership model resonates with you, we recommend *Stewardship* by Peter Block as a starting point for your learning. Block defines stewardship as "giving order to the dispersion of power," which means that people throughout the organization have the power to determine how they do their work. Participatory or partnership leadership is based on a rejection of the paternalistic premise that the people at the top *know best*. If you can lead without being in total control, are comfortable in an environment of shared power and responsibility, and think your board and staff will support this approach – not everyone *wants* power, after all, because it entails accountability – then we urge you to consider embracing a participatory or partnership model of leadership.

The Four Requirements of True Partnership[3]

1 Exchange of purpose: Everyone, at all levels, is responsible for defining organizational purpose (mission, vision, and values) through dialogue.

2 Right to say no: Partnership does not mean that you always get what you want. You may lose your argument, but you never lose your voice.

3 Joint accountability: Everyone is responsible for outcomes and for the current reality. The price of the freedom that partnership offers is personal accountability for success and failure.

4 Absolute honesty: In a partnership, not telling the truth to each other is an act of betrayal.

The Nine Principles for Stewardship-based Governance[4]

1 Maximize the choice for those closest to the work. Put decision-making authority where the work gets done.

2 Reintegrate the managing and the doing of the work. Management becomes a set of tasks, not a job title. Everyone manages, although some have a wider perspective, and everybody does work that adds value for constituents.

3 Let measurement and controls serve the core workers. Use team and peer agreements to design evaluation tools and maintain control. Measure results and outcomes, not behavior and style.

4 Yield on consistency across groups and support local solutions. Encourage unique solutions whenever possible.

5 Service is everything. Definitions of roles and decisions about services and evaluations all emerge from dialogue with customers and coworkers. Bosses are suppliers, not customers.

6 Deglorify management as a job title and demystify staff functions. Managers exist only to add value to the core work.

7 End secrecy. Full disclosure of business information should be the rule. The more sensitive the issue, the more it needs to be talked about. Full disclosure includes individual responsibility for communicating.

8 Demand a promise. In return for increased freedom of choice, everyone must make a commitment to act only in the best interests of the whole organization.

9 Redistribute wealth. Design the compensation system so that everyone's pay is tied to the success of the team, department and entire organization. Eliminate automatic increases.

Keeping Your Balance

Most of us have chosen to work in the nonprofit sector because of strongly held personal values. For many third-sector leaders, however, this very passion can result in an unhealthy imbalance between work and personal life that can have major personal and organizational consequences. The more closely your personal values match your organization's mission, the more vulnerable you are to blurring, or even obliterating, the line between home and work. The more time you spend working, the more you shortchange your family, your friends, and, not least, yourself.

Over time, all those night meetings, weekends at the office, and abbreviated vacations will take their toll. The result can be *burnout*, which, in turn, may lead to a voluntary or involuntary departure, creating a potentially major disruption for your organization, not to mention personal and professional anguish.

The secondary effects of this nonprofit workaholic syndrome can be dangerous, too. If the executive director expects other staff to work the same long hours, week after week, that he or she does, low morale and high turnover are likely to be the outcome. Moreover, this set of expectations fosters a culture of crisis management rather than one that values strategic thinking and reflection.

[3]Block, Peter. *"Stewardship"* San Francisco: Berrett-Koehler Publishers, 1993.

[4]Ibid

Strategies for Maintaining Your Balance

Sixteen years ago, a small group of executive directors in the Boston area created an informal support group that came together for monthly meetings. Of the nine people who have been members at one time or another, only one is still an executive director. The others have moved on, quite happily, to other management-level jobs. So, we weren't surprised at the results of a recent survey of executive directors conducted by the Support Center of San Francisco, now Compasspoint. Although it did not use a scientific sample, the study, entitled *Leadership Lost,* found that *only 20 percent* of the group would take another job as executive director.

We believe the principal reason for this phenomenon is stress-induced burnout. If you are doing work you are passionate about, stress and emotional fatigue are likely to affect you sooner or later. While you probably can't avoid these consequences entirely, you can prevent them from completely undoing you by setting reasonable limits for yourself and sticking to them. Here are a few strategies that have worked for executive directors we know:

- Prioritize and delegate. Separate out the things that only you can do from those that others can do. Build in 30 minutes of planning time each day for organizing your work around these priorities.

- Work toward a flatter organizational structure. The more that power and responsibility are dispersed throughout the organization, the less the burden will fall on your shoulders.

- Set and stick to reasonable limits on your work hours. (For example, be out of office by 6:00; don't work at home after 8:00; and don't exceed four hours on the weekend.)

- Spend your personal time doing things that are different from your work tasks. (For example, if you spend a great deal of time in meetings during the day, limit the number of home-based activities you do that involve meetings.)

- Improve the aesthetics of your work space.

- Find someone outside of work to whom you can vent and gripe. Form or join a support group or arrange a regular meeting time with a trusted colleague.

- Nurture strong commitments to family, friends, and nonwork interests. It is easier to say "no" to more work if you have said "yes" to a personal life.

- Consider a personality-type analysis to help you focus on the parts of your job you enjoy and try to do more of them.

- When you travel, try to maintain your personal rhythms for exercise, sleep, and reasonable work hours.

Good luck! Remember the old axiom: No one ever went to their grave wishing they had spent more time at the office.