

THE THIRD SECTOR REPORT

The Nonprofit CEO: A Complex Leadership Equation

By Jeffrey R. Wilcox, CFRE

Ask any nonprofit leader about one of the consistent struggles that leads to frequent misunderstandings; and it is nearly guaranteed that discussions about the roles of management versus the responsibilities of the board will surface in the conversation.

It's almost as though there is a constantly moving target, depending on the subject, whether the board is managing or leading or the organization. For many organizations, a double standard emerges that says that when it comes to such things as asking for money, management is in the driver's seat; but on matters relating to hiring, the board expects to weigh in.

Unfortunately, there's not a hard and fast rule that can form a leadership mandate for all nonprofit organizations. The type of organization, its age, budget and staff size, and historical actions all contribute to its governance and management equation. The answer lies in a negotiated relationship with both sides agreeing to the framework that is jointly developed. As an organization evolves, so must that framework.

Nevertheless, there are complexities associated with a nonprofit chief executive that most business people would be hard pressed to find in their own job descriptions. The first, and most obvious, is the ability to work with a complicated human resources equation that includes both paid and unpaid people working together towards a common end. Managing volunteers while managing paid employees is an acquired skill and a leadership talent.

The effective nonprofit executive must have the support of and be empowered by its board to make tough decisions, negotiate feelings and compromises, and try a variety of processes to get the right balance at work to achieve the goals of the organization. When governance sticks its toe in decisions affecting the human resources of the organization it is guaranteed to have a domino effect. In some organizations, the formation of a human relations committee delegates these discussions to act as an advisory group to the executive who still holds the job of hiring, managing and dismissing talent.

For anyone in the organization to understand the complexities of managing a nonprofit organization, the executive's job description should be a centerpiece of discussion at least annually and a refreshed document contained in a manual. The description should be accompanied by a set of approved performance goals that are evaluated annually.

Virtually every nonprofit executive has a few commonalities that are shared among his or her peers.

The first is the authority and accountability to carry out the policies of the organization as approved by the board. For most organizations, these policies form the framework for the day-to-day operations. It's when an executive has to make decisions without any policy backing that things can get messy for everyone involved.

The second is having the backing of the entire organization to put together an infrastructure of people and processes to mobilize a set of organizational goals towards a stated outcome. When the board hasn't set a clear and measurable set of goals, disagreements about what the "end game" is all about and how the organization should get there is guaranteed.

The third is the authority to establish an accountable culture in the organization which includes how people are hired, managed, and advanced. It's hard for management to maintain accountability if governance has none of its own regarding the obligations of its members to fulfill their own board member job descriptions.

The fourth is earned respect and representation of the mission statement in the broader community. A successful nonprofit executive must find the careful balance between serving the community and being in the community. The successful equation lies in being supported to have appropriate delegation authority to the staff for internal needs and to the board for external visibility.

Whatever is in the job description, every nonprofit chief executive must be the master of facilitative leadership. Because no single person owns the business, consensus-building among board members as well as other stakeholders is a vital skill. Too many mandates is the quickest way to have people, including the chief executive, scurrying for other opportunities.

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