



Where is the Professional and Leadership Development for Non-Profit Managers?

According to research conducted by the Bridgespan Group, the Meyer Foundation and the Annie E. Casey Foundation, there will be a significant deficit of executive leadership in the non-profit sector in the next decade (see detailed section below). The research indicates that 3 out of 4 current Executive Directors plan to leave their jobs in the next five years, while about one half of the current younger leaders plan to leave the non-profit sector all together. Which leads us with a stark challenge in how, when and where do we prepare the next generation of leaders to get ready to lead organizations with the proper training and preparation.

Executives are often asking themselves and their Boards, “Where’s my professional development and training plan?”, “How am I supposed to roll up my sleeves, learn more, surround myself with like colleagues and receive the type of motivation necessary to keep me engaged in this intricate, complex, exhausting and challenging work serving as a long term Executive Director?”. Leadership will spend hours planning best practice professional development and training opportunities for their front line staff and managers, as well as the clients they serve, but rarely have the time, resources or the support to pursue their own professional development paths.

This article will discuss how to get your Board to support your executive and top managers in their pursuit of continued professional development and the disconnect often experienced between what the Board may perceive as job satisfaction versus what the managers indicate they need for advancement and new opportunities.

Research that Supports the Crisis:

During the summer of 2007, Executive Directors and nonprofit managers of nonprofit organizations in the Bay Area of California were separately surveyed about the professional development needs of nonprofit managers. The survey focused on management development as distinct from development within specific fields of service. Seventy-six (76) executive directors and 112 nonprofit managers responded. A goal of the survey was to learn what nonprofit managers’ want and/or need in order to grow and advance in the nonprofit field consistent with their interests and career goals. Responses came from an excellent and broad sample of nonprofit organizations. Agency size ranged from less than five staff to over 200, with budget sizes ranging from less than \$500,000 to over \$10 million. There was no one category within these ranges that had a notably larger number of participants. The fields of service ranged from social services to education with over 40% of both executives and managers coming from social or multi-service organizations. The total number of managers employed in all of the participating organizations was 774.

The Research Findings:

- The years of service in the nonprofit sector for the 112 responding managers ranged from less than one year to over twelve years.
- 65% have worked in the sector more than five years.
- 52% have been in management positions in the sector for more than five years.
- 49% have a Master’s level degree or higher level of education.
- 44% supervise programs.
- 29% supervise supervisors.
- 31% are interested in becoming an executive director.

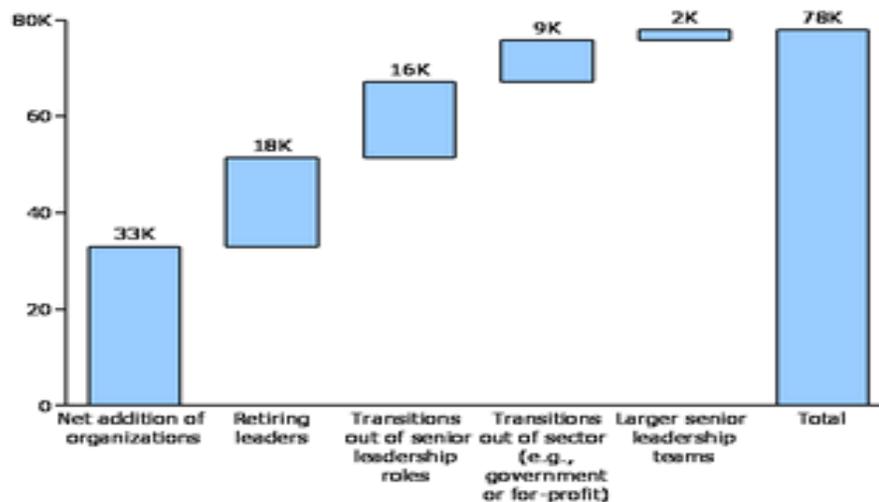
How and where are we getting new leaders?

The Boston-San Francisco based consulting firm, The Bridgespan Group did extensive research on the non profit leadership deficit. Their research discovered that over the next decade, organizations will need to attract and develop some 640,000 new senior managers—the equivalent of 2.4 times the number currently employed. If the sector were to experience significant consolidation and lower-than-forecast turnover rates, this number might fall as low as 330,000. On the other hand, given historic trends, the total need could well increase to more than one million. By 2016, these organizations will need almost 80,000 new senior managers per year.

The projected leadership deficit results from both constrained supply and increasing demand. The key factors include the growing number of nonprofit organizations, the retirement of managers from the vast baby-boomer generation, movement of existing nonprofit managers into different roles within or outside the sector, and the growth in the size of nonprofits. The chart that follows summarizes the analysis.

The nonprofit sector will likely need nearly 80K new leaders in 2016

Number of new senior managers needed (2016)



Note: Transitions out of senior management positions include EDs and senior managers that have left their current position to become a consultant or to take an unpaid volunteer or board governance role. Transitions out of the sector include EDs and senior managers that have left their current position for a job in the government or for-profit sector. Senior management is defined as the most senior tier of management that could include the COO, CFO, CDO, Head of Human Resources, Head of Marketing, Head of Programs.
Source: National Center for Charitable Statistics data; Bridgespan analysis

The leadership deficit is further aggravated by the sector's lack of intermediaries to help in recruiting and developing managers. Nonprofits have neither the size nor the resources to develop large numbers of managers internally, as their for-profit counterparts do. The sector also lacks robust management-education and executive-search capabilities. Addressing the leadership deficit requires that all participants in the nonprofit sector recognize the enormity of the problem and make it a top priority.

Three difficult but critical imperatives will need to be addressed:

1. **Invest in leadership capacity.** Skilled management is the single most important determinant of organizational success. Nonprofits must invest in building skilled management teams—even if that means directing a greater proportion of funding to overhead. Philanthropy must deliver the operating support required, and boards must reinforce the importance of building management capacity and quality.
2. **Refine management rewards to retain and attract top talent.** To recruit more and better leaders, organizations will have to structure more competitive management packages, particularly in light of the push to hold managers to higher performance standards. The greatest rewards of nonprofit careers will always be intangible, but more attractive compensation is critical in times of labor shortages.
3. **Expand recruiting horizons and foster individual career mobility.** Nonprofits traditionally tend to hire from a small circle of acquaintances. That practice is no longer sustainable. Recruitment efforts will need to expand to new pools of potential leadership talent, including baby-boomers who wish to continue working, mid-life career changers seeking greater social impact, and the young. At the same time, the sector will need to strengthen and expand its mechanisms for attracting and developing managers and enabling talent to flow freely throughout the sector.

What's holding us back? Why don't we engage or provide our managers with professional development?

The biggest challenge identified by both executives and managers is time: for managers, time away from work (which they do not have or cannot get) or time away from their families. This is also reflected in some executive's comments that managers are unwilling to attend available opportunities. An additional barrier is lack of funding to cover professional development costs. However, it is interesting that these findings are the same for both large and smaller organizations. A final barrier for managers is the lack of support from the organization to have its Executive Director or Manager get the time away and/or use the resources needed to secure this opportunity.

We have to start so.....Where do we start?

In order to make a difference in your organization, you need to first and foremost get your Board to support that your executive and top managers would greatly benefit from management and leadership development opportunities. Talk through the disconnect between what the Board may perceive as job satisfaction versus what the managers indicate they need for advancement and new opportunities. Inform your Board that over 60% of non-profit managers indicate a strong interest and need for development in 38 out of 45 categories proposed with the areas of highest interest including strategic planning, program development, performance evaluation, leading versus managing and conflict

management. Many managers would greatly appreciate experiential learning and/or on the job training both within your organization and outside your organizations with other key leaders.

Are there high quality resources to work with our leaders?

If your organization has the ability to engage its Executive Director and/or Senior Manager in high quality training, consider the following opportunities:

- 1) The Center for Social Leadership conducts and Excellent Executive Certificate Program in Non Profit Management;
- 2) The Non-Profit roundtables has launched its Future Executive Director Fellowship program which is a 9 month program that includes some intensive work at the front end of this high quality leadership program;
- 3) Strategic Perspectives in Non-Profit Management is an Executive Education program run through Harvard Business School;
- 4) The El Pomar Foundation in Colorado hosts a Non-Profit Executive Leadership Program;
- 5) Georgia State offers a Non-Profit Studies Program that includes the Executive Leadership program in Non-Profit Organizations.
- 6) The Third Sector New England's Executive Director Guide: which includes helpful materials on building better leaders, better non-profits and a better world.

These are merely suggestions based upon high quality research studies and organizations that are working on our behalf to make our field stronger and better. Our leadership crisis hangs over us from lack of high quality management training to lack of high quality leaders. We need to use our unprecedented wisdom and commitment to strengthen the sector's capacity to meet society's escalating demands; or we can allow this management and leadership deficit—with its debilitating consequences—to widen. We are at a crossroads. The choice is ours.

References:

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2. Kunreuther, Frances and Patrick A. Corvington, *Next Shift: Beyond the Nonprofit Leadership Crisis* (Baltimore, MD: Annie E. Casey Foundation, 2007).
3. The Nonprofit Sector's Leadership Deficit: Executive Summary; Published Date: 2006-06-19 Author(s): Thomas J. Tierney; The Bridgespan Group