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JOURNAL for NONPROFIT MANAGEMENT

Effective Approaches to Leadership Development

Articles

- *Developing Leadership on Boards of Directors*
- *The Board Chair-Executive Director Relationship: Dynamics That Create Value for Non-Profit Organizations*
- *Fostering Effective Relationships among Nonprofit Boards and Executive Directors*
- *So Many Leadership Programs, So Little Change: Why Many Leadership Development Efforts Fall Short*
- *Coaching Strengthens Nonprofit Leaders and Their Organizations*

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JOURNAL for NONPROFIT MANAGEMENT 2008

An annual publication for those concerned with developing excellence in nonprofit management

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Effective Approaches to Leadership Development

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From the Editor

Welcome to the 12th edition of the Journal for Nonprofit Management. The theme for this year's Journal is *Effective Approaches to Leadership Development*. Three of the articles offer complimentary perspectives on board development and the relation between the executive director and board chair. The final two present an assessment of what needs to change about current leadership development offerings and an overview of the benefits and process of coaching for executive directors.

Summarizing the results of a Governance Matters study of fifteen exemplary nonprofits, Barbara S. Miller and Jeanne Bergman provide important insights into how boards create a culture of leadership and transform themselves into an active, engaged, and knowledgeable team – one that can guide a nonprofit organization to anticipate and respond to the myriad challenges in the sector today.

Mary Hiland shows how nurturing the relationship and establishing and sustaining trust between the board chair and the executive director is strategic work essential to organizational effectiveness. The importance of connection, caring and meaning should not be lost in an over-emphasis on more *business-like* practices and claims of harried busyness. The potential to leverage the board chair-executive director relationship and increase nonprofit organizations' stock of meaningful, productive relationships is great and unrealized.

In a study of nonprofits in Kentucky, Jodie Butler Markey and Dwight V. Denison identify key factors that contribute to the board chair and executive director relationship. Those factors include the length of time that the executive director has worked for an organization and the number of hours per week that the executive director communicates with board members.

Too many seminars billed as *executive leadership* are really basic skill building endeavors that do not develop leadership potential. Mary Genis suggests how to shift the focus to leadership capacity building and utilize the best practices of adult education.

Carolyn J. Curran answers some key questions about coaching such as: why is there a discrepancy between interest in, and practice of, coaching; what is the difference between coaching and consulting; when is a nonprofit leader *ready* for coaching; what happens in a coaching session; how can coaching top executives impact a whole organization; and how to pay for coaching.

We invite your comments about the current articles and your own articles for inclusion in future editions. Details about submission are on the inside title page of the *Journal*.

John D. Vogelsang
Editor

Developing Leadership on Boards of Directors

Barbara S. Miller[1]*, independent consultant and founding member of Governance Matters Board, and* ***Jeanne Bergman****, independent consultant and co-chair Governance Matters Board Leadership Project*

■ ■ ■

Much has been written about governance on nonprofit boards, but there is little that addresses the development of leadership: how individuals who are volunteering their time transform themselves into an active, engaged, and knowledgeable team – one that can guide a nonprofit organization to anticipate and respond to the myriad challenges in the sector today. Based on a study of fifteen exemplary nonprofit boards, and the combined experience of a team of nonprofit professionals, this paper looks closely at what is meant by board leadership, what forms that leadership takes, and how to create an organizational culture that encourages and supports board members to step up to their leadership responsibilities.

BACKGROUND

Governance Matters, the sponsor of the project, is a collaboration of nonprofit executive directors, board members, funders, consultants, umbrella organizations, and other professionals interested in raising the standard of governance within New York City's nonprofits. The Board Leadership Project was developed to encourage more active leadership on and by nonprofit boards. We wanted to explore why some boards and individual members step up to take the lead at times of change and why others do not. We also wanted to find out how boards create a culture of leadership, and what prepares board members to play a leadership role.

The members of the project designed a research study to identify and describe the practices that nonprofit boards have used to develop, motivate, train, and sustain board leaders. The research strategy was based on the assumption that leadership is most apparent at times of transition or crisis, such as:

- the early stages of organizational development,
- transition from a founder/executive director or long-time board chair,
- responding to a major new initiative from external sources/conditions, and/or
- implementing the decisions of an internal planning process.

Leadership was operationally defined as *board actions that have served to move organizations forward* so they can successfully meet these challenges:

- mobilize action to further the mission,
- help the organization adapt to changing circumstances,
- respond to crisis,
- identify opportunities for change and growth, and/or
- create future leaders.

The team then asked a variety of sources, including umbrella organizations, technical assistance providers, funders and academics, to identify New York nonprofits whose boards demonstrated this type of leadership. Out of the fifty organizations recommended, fifteen were selected and interviewed by Governance Matters volunteers. Based on the findings, a series of hypotheses about board leadership were developed. To further test and refine the hypotheses, the project scheduled three focus groups with participating executive directors and board leaders.

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A team from New York University's Wagner School's Non-profit Management Capstone Seminar then reviewed the case studies and identified those that best exemplified board leadership as it was defined. This team also conducted a literature review to determine gaps in the literature related to this topic. Concurrently, a group of Governance Matters members were convened to discuss their experience with board leadership at times of crisis (particularly during times of leadership succession) and to outline effective steps to develop an effective board culture. Finally, the Board Leadership Project Team took all of the material that had been collected and added their own experiences to produce the final products.

REFLECTIONS ON WHAT IS MEANT BY LEADERSHIP ON NONPROFIT BOARDS

As we reviewed the input from our exemplary organizations, the Board Leadership Project Team identified the following characteristics of board leadership.

Leadership Qualities

A number of personal qualities of leadership were repeatedly identified by participants in our study. Some of these qualities may seem innate, but many arise from the alchemy of blending the desire to *make a difference*, together with known/learned skills and the opportunity to act. Good board leaders exhibit passion, commitment and vision, and they articulate these clearly. They have the ability to communicate with and engage others. They know what they do not know, are willing to take risks, are comfortable seeking outside help, and are honest and forthright in recognizing and naming problems. They are able to support the executive director by making time available to sustain his/her vision and implementation. However, the board leader's first loyalty is to the mission and the constituencies the organization serves.

> Board leadership is expressed most powerfully and crucially during times of transition and crisis; such periods are also when the absence of leadership is most visible and most devastating to an organization.

Boards Govern Always, Lead Sometimes

While the basic governance responsibilities of boards of directors are constant, leadership on a good board is more fluid, ebbing and flowing as circumstances and organizational life cycles require. Board leadership is expressed most powerfully and crucially during times of transition and crisis; such periods are also when the *absence* of leadership is most visible and most devastating to an organization. When things are running smoothly, the more routine governance duties are primary and board leadership is devoted to streamlining systems, strategic planning and increased board fundraising. At such times, the board's leadership (in the sense of control and direction) may seem more below the surface. This is most often the case when there is a strong, skilled and effective executive director.

Ask Questions!

Leadership is often defined as having answers, or taking charge. However, one of the most important forms of leadership that board members undertake is simply to ask substantive questions. In some cases, board members will be part of researching and responding to these questions. In others, the board will rely on the executive director and/or other staff members for the information and input necessary to determine appropriate actions. Leadership in such cases takes the form of raising the questions and listening for responses that make sense.

In general, questions will fall in the following categories.

1. Compliance

As part of their governance responsibilities board members need to ask management to demonstrate compliance with the laws and requirements governing nonprofit organizations, and with the organization's commitments to clients, donors and other key stakeholders.

2. Strategy

Board leadership related to programs and priorities is strategic in nature. Their focus is less on why we do things a certain way, and more on whether or not the organization is doing the right things. Strategic questions from the board encourage board and staff to identify internal and external changes and trends that affect clients, funding and activities so the organization can formulate appropriate responses. These questions help keep the focus on the big picture rather than on operations, and are typically future oriented. Finally, they encourage and shape board leadership by helping board members identify ways that they can help the organization respond to emerging needs and opportunities.

3. Evaluation

In most cases board members do not have the same level of programmatic expertise as the staff. As community members holding the organization in trust on behalf of the public, board members need to ask questions that help them evaluate the impact of the organization's work. By raising the question of how the organization will measure success, and by systematically asking for benchmarks related to these measurements, the board leads by focusing staff attention on results instead of methods. Comparing these results to those of other organizations in the same field is particularly helpful. Also tracking results over time provides useful information to allow the board to measure success.

> Every board member should have a role to play to move the board's agenda forward and to fulfill the board's oversight role.

4. Resources

Many boards spend a good deal of time thinking about and engaging in fundraising. One important question that can get overlooked is to ask how the organization is allocating the resources it does have, and to ensure that this allocation is reflective of the organization's priorities. Another set of questions relates to donor interests and trends. What are donors interested in? How has that changed? Should we (and, if so, how can we) position ourselves in relationship to these interests? Finally, the board should ask and determine what role it needs to play in maintaining current resources as well as in attracting new or increased support.

5. Board Structures and Systems

A board is strengthened by asking questions about its own ways of working to make sure that its operating and decision-making practices keep up with changing demands, shifting responsibilities, board size and composition. A periodic self-evaluation can help board members determine if they are paying attention to that which is most important, and if there are smarter ways for them to work individually and collectively in order to achieve their goals.

Leadership from Any Seat

There is a tendency to think of leadership in terms of hierarchy, with the board chair playing the strongest leadership role. It is certainly true that an effective board chair contributes enormously to the board's productivity, and that a poor board chair can be a significant obstacle to performance. Every board member, however, has a leadership role to play. Any board member can and should raise the kinds of questions described previously. Every board member should have a role to play to move the board's agenda forward and to fulfill the board's oversight role. Fundamentally, leadership entails speaking up when you have a concern and contributing what you can to make the organization successful.

Different Leadership Styles

Not all forms of leadership are recognized as such. In fact, often leaders do not recognize their own leadership or leadership potential. One of the lessons of our study is that people often became leaders because someone they respected called on them to lead. Also, leadership may take on very different attributes in different cultures, as well as among

different ethnic, age and/or gender groups. One community may admire forceful and outspoken leaders while another might respond to a more consensus-oriented approach.

Different organizational circumstances call for different leadership styles. At times of upheaval a consensus builder may be needed. If real change is needed to move the board forward, a more decisive leadership style may be called for. One organization described two types of leaders: Visionaries and Implementers. In the first group are the strategic thinkers who have imagination and are focused on "the long haul." The second are those who can figure out what is needed, right now, in order to make something work and who enjoy concrete tasks. They can also help the executive director think through the impact a new undertaking may have on the organization's ability to maintain its regular operations.

DEVELOPING A BOARD CULTURE THAT PROMOTES LEADERSHIP

As we spoke with exemplary nonprofit boards, and reflected on our own experiences in the field, we came to recognize the importance of the board's culture in determining whether or not board members are willing and able to step up at times of transition. Board members place a high value on efficiency because there are so many competing demands on their time. They are therefore often reluctant to invest the time required to build board cohesion and strong working relationships and may be unprepared to work well together at times of change or crisis.

What is Board Culture?

In the context of nonprofit boards, culture refers both to organizational culture – the shared meanings, understandings, ways of interacting, expectations, vocabulary, values and beliefs of the board members as a whole – and the individual cultures of all the members (which over time can transform the board's culture). Board culture is crucial to performance and leadership because it can be a powerful and sometimes invisible force that pressures members to conform to the established behaviors of the group. On the positive side, organizational cultures can inspire leadership, open debate and risk-taking. On the other hand, these unspoken norms can have a negative impact, causing new and veteran members alike to feel intimidated, or silenced, and those who would like to initiate changes in the organization may have difficulty introducing new ideas.

Organizational cultures tend to be self-perpetuating. People who are uncomfortable with the board culture as it is will leave, and those who like the status quo will feel welcomed and supported. Founders' boards are obvious examples of boards with cultures oriented to *follower-ship*, but other boards may also silently (or actively) discourage members from asking questions, taking the initiative or raising criticisms. The persistence of organizational culture can make diversifying a board difficult: new members from new or different constituencies may be denied meaningful roles or otherwise be informally silenced. Board members need to be aware of their organization's culture, discuss it openly, and, if they want to change it, do so intentionally and with sincerity of purpose.

Boards are social groups and each has its own distinctive culture. Boards that work well have incorporated governance and personal initiative into their organizational culture. They have enthusiasm, momentum, and flexibility. Effective leadership boards foster environments where directors trust and respect one another, communicate clearly and often, know their organizations well, care deeply about mission, and understand their legal and moral responsibilities.

The board's culture is also fluid and changes as the makeup of the group and the situations, conditions and issues shift. Clarity and openness (and, conversely, confusion and secretiveness) are features of organizational culture that can be inculcated.

Characteristics of a Productive Board Culture

The following elements emerged from our research as essential to a productive board culture.

1. *Respect.* When asked to reflect on their success, the board members of a parents' advocacy organization pointed out that *respect* is crucial. There is respect – among the current board for each other and for the executive director – that comes from acknowledging and honoring their mutual responsibilities for their work and for the organization. One member commented, "A board should be a group that each member is proud to be part of."

2. *Communication and Transparency.* Good communication was cited by the representatives of almost every organization studied as a key to their effectiveness. Board members are encouraged to ask hard questions and get honest and complete answers. For example, at a settlement house, the new president and executive director instituted procedures that ensured that board members were kept fully informed about developments in the organization and the neighborhood, and, therefore, were able to respond appropriately to a changing situation. As a result, even in the face of caustic complaints from members of the local community, the board remained committed to change but resisted being drawn into pointless arguments and confrontations with neighborhood residents.

> Good communication was cited by the representatives of almost every organization studied as a key to their effectiveness.

3. *The Ability to Learn from Conflict/Debate.* Board members of a parents' advocacy organization found a way to use conflict to continue the organization's forward movement. They, and others, point out that when you give everyone a voice, conflict will arise. As the executive director says, "Give people the opportunity to express their opinion, and do not react negatively when they do. Really take [their comments] to heart."

- The willingness and ability to struggle through conflict can strengthen a board and the organization. The ability to disagree productively is one sign of a strong board culture. Such debate often results in decisions that are more fully thought out. Civility without debate may mean that the board admits only other like-minded people or that only a select group are the real decision makers. Conversely, debate without civility often reflects individual agendas that are not motivated by concern for mission, and rarely leads to better decisions.
- Directors from the settlement house's board stressed that when an issue is presented for board consideration, all related possibilities and solutions are discussed – sometimes vigorously – and, therefore, the decisions reached tend to be representative of all or a great majority of the directors. The president manages disagreements well and the directors defer to his judgment and decisions. Says the board president, "Don't give me a smiley-smiley group. I make [vigorous discussion] happen by encouraging freedom of speech."
- For others, consensus is seen as an indicator of board health. For example, the president of a counseling organization says: "Not only does the board rarely ever get into a big argument, there's not factionalism within this board. But there is a respectfulness, collaborativeness and a sense of pride that generations of trustees share, which has to come from something, and it does not come from something intellectual. It comes from something more emotional or spiritual, the sense of purpose that they share together. That's what gives life to the organization."
- The role of the board chair is critical to the board's ability to engage in open discussion. The board chair of an advocacy and direct service organization for the formerly incarcerated makes sure that everyone has a voice and is heard. He realizes that there will not always be consensus, but generally the group does reach an agreement. Occasionally, a board member who is known to

hold a particular point of view might be approached prior to the meeting to allow for a more open and thorough discussion outside the board meeting. But the intent of this conversation is to make sure that that director feels like his/her viewpoint is aired, not to stifle that person's participation.

4. *Trust and the Ability to Take Risks.* Risk and trust go together. Board members are willing to take greater risks if they trust each other and/or the individuals in leadership positions. It helps to have steps for assessing the risk, making it more manageable, and having multiple go/no points, particularly when contemplating new initiatives.

HOW BOARDS CREATE A CULTURE THAT PROMOTES LEADERSHIP

We have found the following practices key to creating a productive culture on a board:

- *Recruit people to the board who have a passion for your mission.*
- *Connect trustees with the organization's work through direct experience, conversations with program staff and compelling stories that illustrate the importance of the organization's work.*
- *State expectations of board members up front during the recruitment process.*
- *Make time to talk together as a board about the culture that you want to create or perpetuate on the board, and how you can work together most productively.*
- *Let potential board members know about the culture of the board up front.*
- *Create rituals to celebrate achievements, recognize people who have made a contribution, and mark new moments in an organization's history.*
- *Compare how the board operates with the organization's values, and determine if the structure and the values need to be more closely aligned.*
- *Acknowledge the contributions of those who have made the organization what it is today, and then focus on how to maintain the founding principles in a changing environment.*

Recruit individuals who are passionate about the mission. When asked what motivated them to step up to leadership, even in times of crisis, board members talked about their belief that the work of their organizations needed to be continued for the sake of the community. Their commitment to the mission went beyond their loyalty to any one individual. In times of crisis, board leaders show personal commitment, determination and courage, each of which is crucial to the maturation of the full board. One board member offered the following observation:

> What helped our organization deal with the crisis was the deep commitment by a lot of the board at that time that the organization was so valuable that it had to survive. Many of the board had come from the trenches and understood the value of the program and the need for the organization. The incoming chair took a firm hold. The search committee stepped up to the plate. And the executive committee functioned in a supportive role once the executive director was chosen.

Nonprofits are often tempted to add members to the board for other reasons than passion – a person's expertise is needed or their financial support is sought. One board member responded by saying:

> Some not-for-profits will look at financial means as the most significant issue, to find a trustee who's sufficiently wealthy that they could be a substantial contributor to the work of the particular organization, or that they are positioned in such a way that you can leverage their influence and support to others, and that's why you want them as trustees. Well, I would be dishonest if I didn't say that some of those things figure into our selection of trustees.

While another board member responded:

> In recruiting new board members I need to sense there is a passion for the mission. I have to see there is flint that catches a spark… believing, of course, that if somebody connects to the mission, they would do whatever they can with whatever resources they might command to support and to help the organization further its objectives. But the most important component of their trusteeship has to be do they connect or can they be helped to connect more deeply to the mission of organization. And you can usually pick that up very quickly.

Keep a board's passion alive by finding ways to keep trustees closely connected with the organization's work. One former board member of the counseling organization commented:

> We have been very gifted in who has been led to us or we have found, in that they do understand the mission of the organization, the pain that people feel when they've lost a loved one or when you're the patient that is dying. Our trustees have felt that, and they have felt it because maybe they've experienced it, but they've also heard the stories of counselors' experiences. It's those stories of how they've helped other human beings that brings the organization alive. The best way to have that happen is to get the staff and trustees together.

A current board member from the same organization observed:

> I think we've often said to one another that the organization is a history of stories, and each of these encounters between a counselor and a family, or counselor and a very ill person, has its own story and takes on a life of its own. More often than not, they are wonderful stories, beautiful stories.

Use strategic planning to create a forum and a context for leadership. Strategic planning can motivate board members to become more involved, and to step up to their governance responsibilities without risking the upheaval inherent in a crisis. The process allows the board to identify urgent opportunities that include exciting possibilities like significant expansion, purchasing a facility, or developing programs for a new constituency. When these opportunities present themselves, previously inactive board members may be inspired enough to intensify their commitment and step up as leaders.

The majority of the organizations participating in this study linked the emergence of board leadership with a strategic planning process. For example, the parents' advocacy group used the process as a way of refocusing the board's attention on the mission, and created a framework in which the discussion of board composition could be held without personalizing the decisions made. In other words, the form and function of the board grew directly out of the strategic discussions.

In the organizations we studied it was often the executive director who introduced the planning process and the importance of strategy to the board. In all cases board members played leadership roles in defining strategy and shaping the direction of the organization. Board members of the counseling organization, most of whom have corporate backgrounds, described their process and philosophy as follows:

> One of the things that [the President and CEO] has taught me is that if you dream and you have a dream that makes sense to other people, the money will be there, and you don't have to raise the money before the dream. So it's a question of articulating what we're about and making the case so compelling that the community comes forth and supports it in a way that makes it work. But I don't think you raise the money first. I think you dream first. You have your strategic plan, and then you go raise the money for it… If there is proper leadership – the more you do the better you get. No decision is made at [our organization] without the context of the strategy. We have seven task forces for the plan, plus the standing committees of the board. Quite a bit is done with a small group of people here.

Build high expectations into the culture. Perhaps the most crucial dimension of organizational culture for encouraging leadership is high peer expectations. Indeed, boards seem often to replicate themselves: weak boards expect little of new members, while strong boards seek out similarly engaged individuals. On one of the more highly performing boards we studied, many members exerted leadership and worked hard because there were clear expectations that service to their board was a serious and demanding job.

Some accountability mechanisms that the boards we interviewed use are as follows:

- One group requires 100% attendance at board meetings. Several others track attendance and ask members who miss the number of meetings specified in the bylaws to either recommit or resign.
- A rigorous recruiting system brought engaged, effective directors to a settlement house. Members hold each other to a higher standard of performance and even pressure the chair to take action on unsatisfactory service, such as absenteeism.
- At an organization that works with the formerly incarcerated, the chair of the board said that he, too, had become a more demanding recruiter over the years. He has implemented a more rigorous vetting process – checking references, asking about other board obligations, and seeking an alignment with the agency's values, as well as demonstrated leadership and management experience. He makes sure that candidates understand that they are signing on to do a serious job, for which they will be held accountable by their peers and the chair. He has found that these standards, far from discouraging prospects, have improved retention and director engagement.
- Institute an annual evaluation of the board's performance in relationship to its goals.

Negative sanctions are seldom necessary on strong boards. The clear focus of these boards on their work and their goals creates a strong feeling of community, rewards accomplishments and enthusiastically integrates new members.

Such high standards contrast sharply with the approach of organizations whose recruitment pitches emphasize the minimal demands that will be put upon board members beyond lending their names. Getting people to join a board by assuring them they need to do nothing only guarantees complacency.

Establish and clearly articulate norms for board engagement. Creating a productive board culture requires conscious effort to continuously encourage and provide opportunities for members' active involvement. A board member from an educational organization observed:

> You need to attend to group process and make things explicit. The old ED wanted everyone to get along. I want all the ugly stuff to be out in the open. At a recent meeting, the new chair helped discussion open up. She has the skills. In the past, people said they were open but they weren't. Now they really can speak.

To ensure that you are really acting in accordance with the norms you want for your board requires periodic discussions about the board's culture, and explicit agreements about how to be most productive in board and committee meetings. These discussions are often part of a board retreat agenda in which the board reviews its progress for the year and plans for the upcoming years' goals and objectives.

Examples of *ground rules* that the groups we surveyed have established, whether explicitly or implicitly, include:

- Be open and dedicated to information sharing.
- Focus on the common good, not individual egos.
- Make decisions by consensus.
- It's okay to make mistakes – "we'll grow from them."
- Be willing and able to change how things are done.
- Take calculated risks.
- Trust the group to be able to figure it out.
- Maintain an uncompromising focus on mission.

Create opportunities for board members to get to know each other. Many boards pride themselves on the efficiency of their board meetings. "We've got the meeting down to an hour!" However, if board members do not have the opportunity to get to know each other – and to work together effectively when things are going smoothly – they will not have the skills needed to come together to face difficult challenges. Part of what allows groups of people to work together effectively is to have some sense of who each person is as an individual and how they think.

Mark Moments of Change. Simple rituals for the initiation of new members, the installation of officers, and/or the retirement of long-time members can strengthen a board's culture. Rituals of achievement and celebrating major accomplishments can allow the whole group to share in the resulting sense of pride and momentum, which, in turn, helps deepen their involvement and raises their level of functioning.

Retelling the story of the organization's founding helps to reinforce the board's sense of purpose, keeping members focused on mission and goals rather than allowing them to drift into more personal agendas.

Retelling the story of the organization's founding helps to reinforce the board's sense of purpose, keeping members focused on mission and goals rather than allowing them to drift into more personal agendas.

The structure of the board can reinforce the organization's values and culture. The structure of the board of directors is also important in terms of supporting the development of a culture of leadership. It is also true that the systems and structures that the board develops at one point in the organization's development are likely to need to change as the organization matures. According to a board member with a parents' advocacy organization, "There may be a lot of trial and error. It takes time to discover the right structure."

Charge committees with clear objectives that are tied to the strategic plan. Effective committees are a key element of structure that supports leadership. Providing all members with focused work and important responsibilities is crucial to developing and sustaining effective board leadership. Board members' knowledge of and commitment to the organization is deepened and strengthened by engaging them in meaningful committee work. A museum we studied re-organized the board to better match the management structure. They found that the new structure helped communication and coordination and increased board and staff accountability for outcomes.

Balance future orientation with an appreciation of the past. Board members at the museum we studied knew that they were entrusted with the responsibility of perpetuating the museum's legacy and founding vision. However, board members also understood that simply looking backward to the museum's many accomplishments and awards is not enough. They have to focus their attention on opportunities to serve the community in the future. The organization can be both grounded and adaptive. Too much emphasis on the legacy

can paralyze an institution, threatening to embalm current practices instead of preserving core values of service and excellence.

ADDITIONAL KEYS TO BOARD LEADERSHIP

1. Crisis is not all bad.

Like the proverbial ill wind, there's something to be said for a good crisis to wake up the board and move them to action. Sometimes a crisis gives board members a focus for their efforts, which they may not otherwise have had. Some situations that are perceived by the board as a crisis, such as the decision of an executive director to leave, may in fact be part of the natural life cycle of an organization. Executive transition, or genuine emergencies, force boards to fully assume their governance and leadership responsibilities. Once they learn to do so, it is easier for board members to continue to play a more active role even after the transition is complete. So while we do not recommend going into crisis, do recognize that there can be long term benefits for board leadership if the board is able to successfully respond to the situation. Short of a crisis, an urgent opportunity (such as the ability to purchase a building or take over a program from another agency) can also serve to galvanize the board and help them learn to fully assume their leadership responsibilities.

2. Leadership is both recruited for and developed.

Are leaders born or made? The clear answer is both. ffective boards and executive directors constantly recruit for and build board leadership capacity. They also continuously plan for succession, even during periods of routine board governance. Strong boards create and maintain expectations, structures, processes (including regular training) and opportunities that build and elicit leadership so potential leaders can emerge. Practices that help ensure that boards can and will fulfill their leadership responsibilities include:

- Train inexperienced board members in meeting facilitation and volunteer management.
- Have a transition period of a year so that an outgoing committee chair or officer can train their successor. One approach is for committees to have co-chairs, with one co-chair being the more experienced and the other being the person who will take over responsibilities.
- Create a clear "career path" through the board – from committee participation to committee leadership to becoming an officer – so people can take small steps that lead to formal leadership roles.
- Long time board members need to step back so that new leaders can step forward. They can help newer members become leaders by mentoring them and making themselves available as needed rather than by holding on to leadership responsibilities.

Although it does not occur to many organizations, it is possible and desirable to include questions about leadership skills and interests when considering potential board members. Ask candidates whether they would be willing to assume a leadership position on the board over time, and what experience they have as leaders.

3. Executive directors have an important role in developing board leaders and board leadership.

While some executive directors may prefer passive boards with little initiative, great executive directors welcome board initiative and oversight. Executive directors help board members develop the knowledge they need to be effective ambassadors for the organization. For example, they invite board members to join them for key meetings with government agencies and foundations so they can learn the agency's values, the appropriate language with which to represent it, and the political and bureaucratic world within which it must operate. They also encourage board leadership by sharing the issues facing the organization with the board,

giving the board the information they need to make a useful contribution, and allowing board members to be active partners in formulating responses.

CONCLUSION

Leadership on boards takes many forms, ranging from asking useful questions about the direction, priorities and practices of the organization, to assuming responsibility for addressing the questions raised. In order for board members to feel comfortable and motivated to assume their leadership responsibilities the organization has to engage in practices that allow board members to develop the skills and conditions that promote leadership. Doing so means revisiting the balance between efficiency and effectiveness, creating opportunities at board meetings for real discussion and debate within a productive framework, and finding ways for board members to get to know each other on a personal level so that they can work together more effectively. Board members are most likely to step up to fulfill their leadership responsibilities when they start with a passion for mission, since it is this passion that motivates volunteers to overcome their natural reticence to make waves and make wholehearted commitment to the organization. ■

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The Board Chair-Executive Director Relationship: Dynamics that Create Value for Nonprofit Organizations

Mary Hiland, *organizational consultant and executive coach*[1]

■ ■ ■

Conventional wisdom emphasizes the importance to a nonprofit organization of its core leadership: a *healthy* board chair-executive director relationship (Eadie, 2001; Howe, 2004; Lechem, 2002; P. C. Light, 2002). Organizational effectiveness is at stake when this relationship is weak, or worse, dysfunctional. While such an assertion may seem intuitively correct, there is a lack of empirical work that explores the dynamics of this key relationship or its influence, if any, on the nonprofit organization (Brown, 2000; Miller-Millesen, 2003).

In the nonprofit governance literature, consultants and practitioners prescribe the roles and responsibilities of board chairs and how those roles and responsibilities are shared with, or distinct from, those of the executive. These typically *one size fits all* job descriptions fail to consider the incredible diversity of the sector. In addition, beyond *to do* lists and role clarifications, there is very little that helps board chairs or executives anticipate and effectively manage the complexities of their relationship. The roles, as typically assigned, create a paradox in which the board chair is at once providing both support and oversight. This paradox, coupled with the real possibility that both the board chair and the executive are experienced leaders, highlights the importance of learning more about the dynamics of this relationship than simply who should do what.

THE STUDY

To learn more about the dynamics and influence of board chair-executive director relationships, a study was conducted in 2005 with board chairs and executives from 16 nonprofit 501(c)(3) organizations in Silicon Valley, California. Semi-structured interviews with open-ended questions were done individually with each volunteer participant to elicit descriptions of the dynamics in their relationship and its effect on the organization.

Participants and their organizations were selected on a first come, first served basis so their characteristics were unpredictable. Fourteen of the 32 study participants were female (44%) and 18 were male (56%). Half (8) of the study pairs were of mixed gender and half were the same. The lack of ethnic diversity among participants was disappointing: 94% were Caucasian.

There was diversity among the organizations in the study. The fields of service ranged from recreation to the arts to organizations that provide services to other nonprofits. The largest cluster was human service—25% (4) of the organizations. Study nonprofits ranged in size (measured by annual expenditures) from less than $500,000 to over $10 million. Time in the relationships ranged from 6 months to 5 years.

Social capital is the resource that is created as a result of interpersonal relationships within a social structure (Coleman, 1990). Social capital theory explains how relationships can add value to organizations and is, as yet, under-explored as an asset in nonprofit organizations (Cohen & Prusak, 2001; King, 2004). Social capital theory was used as a lens in the study to understand whether and/or how the board chair-executive director relationships added value to nonprofit organizations.

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Study findings revealed cumulative patterns of dynamics that, when integrated, formed a typology of *good to great* board chair-executive relationships. This pattern was built from the following a) types of interpersonal dynamics, b) levels of trust, c) what the pairs worked on together, and d) how the above, combined, linked to social capital creation in the organization.

Based on study participants' descriptions, five types of interpersonal dynamics characterized the board chair-executive relationships: facts-sharing, ideas-sharing, knowledge-sharing, feelings-sharing and give-and-take.

CHARACTERISTIC INTERPERSONAL DYNAMICS IN THE RELATIONSHIPS

Based on study participants' descriptions, five types of interpersonal dynamics characterized the board chair-executive relationships: facts-sharing, ideas-sharing, knowledge-sharing, feelings-sharing and give-and-take.

Facts-sharing

Facts-sharing was defined as a one-way giving of information that did not involved the engagement of the other party in the exchange. This interpersonal dynamic type was primarily demonstrated in reports of how much information the executive shared with the board chair and if it was experienced as enough. Facts-sharing was the most basic of the interpersonal interactions and was evident in all study pairs.

Ideas-sharing

The ideas-sharing dynamic represents brainstorming, problem solving, and/or thinking things through together. In contrast to facts-sharing, ideas-sharing involved the engagement of both parties in the interaction—a two-way exchange. Initiated by either party, the focus of board chair-executive ideas-sharing ranged from a quick check-in to consulting each other about organizational issues to the board chair serving as a sounding board for the executive.

Knowledge-sharing

The third interactions type was knowledge-sharing—defined as learning and/or coaching interaction. This type was distinct from sharing facts or ideas in that there was a teaching component and identifiable content learned about the organization, something outside the organization or about the person him/herself. The most common examples were coaching of the executive by the board chair and the executive teaching the board chair about the organization or nonprofits in general.

Feelings-sharing

The participants' descriptions of support, reassurance, caring and/or appreciation were defined as the feelings-sharing type of interaction, which varied in intensity among the pairs. Expressions of support most often came from the board chair to the executive; expressions of appreciation were exchanged by both.

Give-and-take

The give-and-take dynamic reflected the board chair or executive's adaptation to the other person's style, personality and/or preferences and their process of working out differences. It is understood that executives need to adapt to new board chairs as they may transition several times over executives' tenure and the give-and-take dynamic included, but went beyond, the executive adapting to a new board chair. When this dynamic was present, it was quite evident that both parties in the relationship made changes or concessions to accommodate the other or to achieve alignment in a variety of circumstances.

Examining these types of board chair-executive interpersonal interactions from the perspective of trust building provided a framework for under-

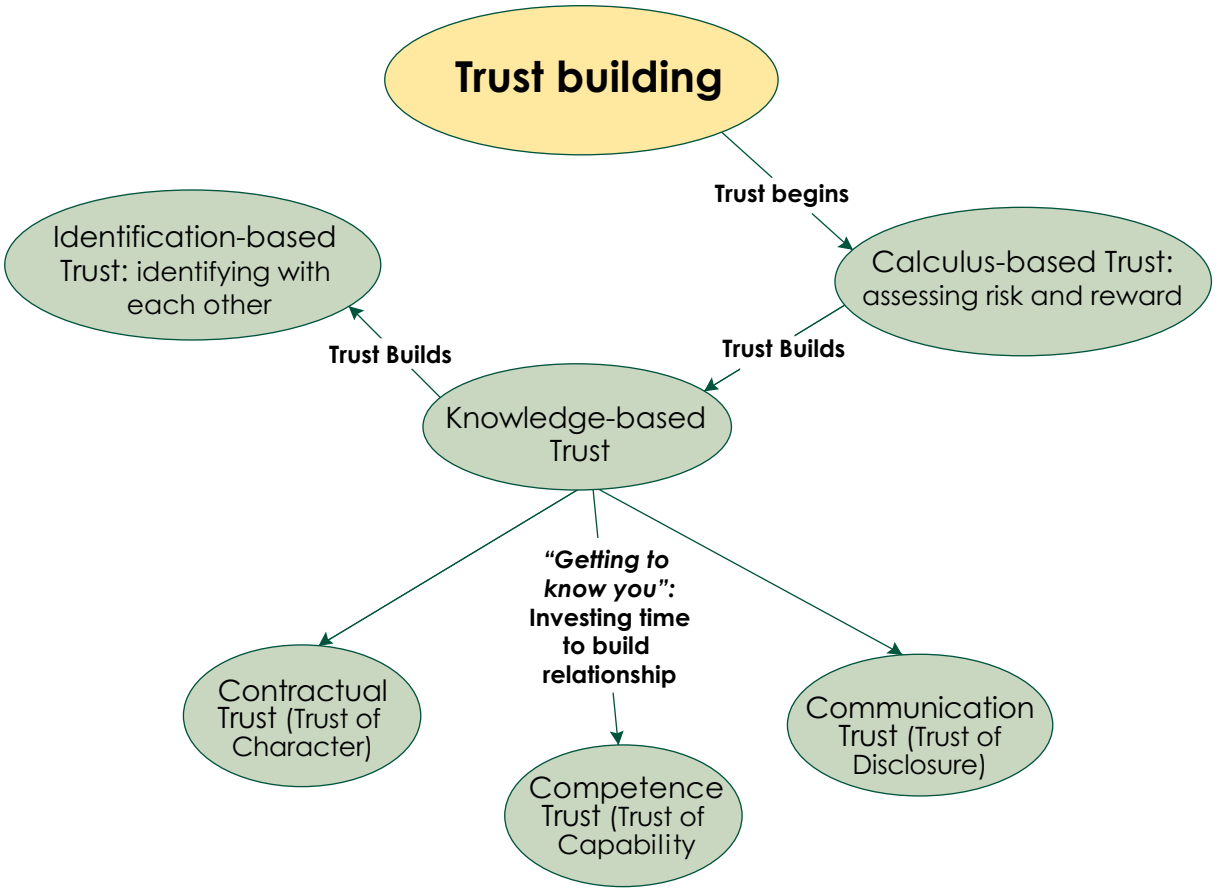
standing their implications. The more diverse the interactions in the pair, the stronger the trust built (Mishra, 1996). The interactions provided the contexts in which trust building behaviors were enacted and the pairs with the strongest trust demonstrated all of the interaction types. It is interesting to note, though, that the frequency of interactions and the amount of time spent together did not relate to the *good to great* framework that characterized the other study findings. It was the quality, not quantity, of interaction that mattered.

THE STRENGTH OF TRUST

There are numerous, different conceptualizations of trust in the organizational and social science literature (Bigley & Pearce, 1998). These varied concepts reflect trust's complexity. Most address trust in the context of personal, as compared to working, relationships. The literature on trust-building in organizations is limited. Integrating and adding to the work of Lewicki and Bunker (1996), Reina and Reina (1999), and Mishra (1996), a model of trust building in organizations was formulated.

Nineteen different trust-building behaviors were identified. Each was linked to one or more of the interaction types discussed above and each fit within one of three levels of trust in the model: calculus-based (weak trust), knowledge-based (moderate trust), and identification-based (strong trust). These levels are cumulative, i.e., knowledge-based trust builds on calculus-based trust; identification-based trust builds on knowledge-based trust. Drawing on Mishra's research, the level of trust assessed in each study pair was determined

Figure 1. Trust-building model



by the type and number of different trust-building behaviors they experienced.

The lowest level, calculus-based trust, exists to the extent that punishments and/or rewards motivate someone to invest in a relationship or to remain trustworthy himself. There is a calculation of the value of trusting in a particular relationship and interactions in the relationship reflect a cost-benefit evaluation. Though this is a weak level of trust it is important to note that it is not bad. It is still trust and in some working relationships this level of trust is more than adequate to accomplish goals. Only one study pair did not build trust beyond this level.

The next level, knowledge-based trust, results from knowing each other to an extent that facilitates predictability. This level includes trust that built as board chairs and executives gained confidence in each other's competence, showed respect, communicated effectively, and honored agreements and commitments. The executive's willingness to be vulnerable and the board chair creating safety for the executive also exemplified behaviors that built knowledge-based trust. As the model reflects, knowledge-based trust incorporates the behavioral categories most readily associated with trust-building: communication, meeting commitments, and demonstrating competence. Knowledge-based trust was the most common level of trust evident in the relationships. Nine pairs built trust to this level. Six pairs built trust beyond this: those six also built identification-based trust.

Identification-based trust, the highest level of trust, is not as evident in organizational contexts as calculus-based or knowledge-based trust (Lewicki & Bunker, 1996). Identification-based trust results from going beyond knowing each other to identifying with each other. It is built less on predictability of behavior than on the internalization of each other's preferences (Sheppard & Tuchinsky, 1996). Pairs with identification-based trust act on behalf of each other and can substitute for each other in other interpersonal interactions. The dynamics in pairs with this level of trust included a more personal dimension.

In addition to the levels of trust evident in each pair, the study revealed different patterns in what each pair focused on when they worked together on behalf of the organization. It is the integration of the trust levels and these *working-together* patterns that provide the *good to great* framework the study revealed. The *working-together* patterns are discussed next.

THE FOCUS OF WORK

Study participants were asked to describe experiences that were characteristic of what they worked on together. Findings indicated three patterns of the scope and type of work the pairs engaged in together: managing, planning and leading. These patterns, like the levels of trust, were cumulative, that is, all pairs planning together were also managing; all pairs leading were also planning and managing.

Managing

All the pairs indicated they worked together on some aspect of the internal operations of the organization, for example finances, personnel, facilities, fundraising. This pattern was categorized as managing. Also, pairs were *managing* when they worked on or about the board, e.g., developing board meeting agendas together, working on recruiting new board members, or identifying board leaders to head committees. Six study pairs worked together only at this level and are referred to as the *managing* pairs. These *managing* pairs did not describe working together with the board. Those with only a managing pattern of working together did not describe working together with anyone else. This was an important distinction.

Planning

The planning pattern of working together was characteristic of pairs who engaged with the board determining direction and strategy, as well as doing other activities directly related to organizational strategic focus. In contrast to the *managing* pairs, *planning* pairs described building relationships with board members and interacting with board

committees. There were three pairs, the *planning* pairs, whose work together evidenced only the managing and planning patterns.

Leading

Six study pairs were managing, planning, and leading. These are the *leading* pairs. They described working with engaged boards on mission-related and strategic work. These *leading* pairs described a web of board, staff and community relationships. The labeling of this pattern as *leading* is not intended to imply that the other study board chairs and executives were not leaders. The distinction is the level of engagement the pairs had with the external community as well as the level of engagement they helped to create between their boards and the community. Neither was evident in managing or planning pairs.

LEVELS OF TRUST AND THE *WORKING-TOGETHER* PATTERNS

The study found three levels of trust and three patterns of how pairs worked together. Was there a relationship between these two dimensions? There was. Using Mishra's approach to measuring the strength of trust (i.e., the number of different trust-building behaviors evident) revealed that the strength of trust in the *leading* pairs was 67% higher than in the *planning* pairs and 133% higher than in the *managing* pairs. The *planning* pairs had stronger trust levels than the *managing* pairs. Only the *leading* pairs had achieved the highest level: identification-based trust. The following reflects these findings using a *good to great* framework:

Good: ***managing pairs***
Managing focus + low to moderate knowledge-based trust

Better: ***planning pairs***
Planning focus + moderate to high knowledge-based trust

Great: ***leading pairs***
Leading focus + identification-based trust

A final question explored in the study was what, if any, influence did the board chair-executive relationship have on the organization from the participants' experience? Given the framework, was there a relationship between the nature of that influence, if any, and the good, better or great pairs?

BOARD CHAIR-EXECUTIVE RELATIONSHIPS' VALUE: SOCIAL CAPITAL CREATION

As noted earlier, social capital theory was used to understand if and how the study pairs' relationships influenced their organizations. Social capital is the asset created through relationships. It is "the stock of active connections among people" that makes productive action possible in organizations (Cohen & Prusak, 2001, p. 4). Leaders have a critical role to play in creating social capital that is useful to the organizations they serve (Cohen & Prusak, 2001; King, 2004).

All study participants believed that their relationship mattered to the effectiveness of the organization, but, prior to the study few had reflected on "How?". The study was not structured to specifically measure social capital. However, when participants were asked how their relationships affected the organizations their responses were characteristically about key relationships and networks, and other benefits associated with social capital. The primary elements of social capital are resources and relations (Lin, 2001). Individuals come to relationships "with resources over which they have some (possibly total) control and in which they have interests" (Coleman, 1990, p. 300). They engage in various exchanges and transfers of control; that is, they form social relationships toward the goal of achieving their interests. These interactions take place within a social structure. Unlike other forms of capital (physical, human, intellectual), the resources that are social capital are only accessible through social ties—they are not the possessions or specific attributes of the individual (i.e., not human capital).

The *good to great* types of board chair-executive director relationships are discussed below in terms

of the social capital created and the benefits that accrued to the organizations as a result. The pairs' strength of trust, focus of work, and the benefits of social capital creation all aligned within each type.

The Good Relationships

As the leadership team for the nonprofit organization, the board chair and executive director have the opportunity to build social capital with each other, the board, the staff and other stakeholders. By definition, *managing* pairs were not working in an engaged way with their boards or other stakeholders. However, a trusting board chair-executive relationship alone can generate social capital if that trust facilitates cooperative work relevant to organizational goals. "Even when social capital investments are made solely by individuals who develop ties with one another, many real advantages accrue to the organization as a whole" (Cohen & Prusak, 2001, p. 4). The level of trust in the *managing* pairs, whose engagement with others was minimal, was a source of social capital but there was no evidence that these pairs influenced any social capital creation outside of their relationship. These pairs created social capital within their own relationship by building trust, stating expectations and working cooperatively on agreed-upon goals. The benefits for the organization they reported were improved information sharing and better decision making.

> The *leading* pairs worked together, with engaged boards, on issues of organizational vision, mission, and strategic focus. They described energy and synergies in their relationship, and with the board and the staff, that catalyzed organizational productivity and engagement with the community.

The Better Relationships

In addition to developing social capital within their own relationships, the *planning* pairs created social capital by strengthening relationships with and engaging the members of their boards of directors. They described doing this by jointly meeting with each board member, appreciating and tapping into board members' individual skills, leveraging board members' networks, and focusing on opportunities for strategic discussion. *Planning* pairs described influencing their boards to be more productive and operate on a strategic versus operational level. These pairs clearly valued the board as an important resource and worked together to tap that resource through purposeful relationship building, thus, creating more social capital. As a result, per their report, the organization benefited from a well-performing board that generated better information, additional resources and connections, and access to expertise.

The Great Relationships

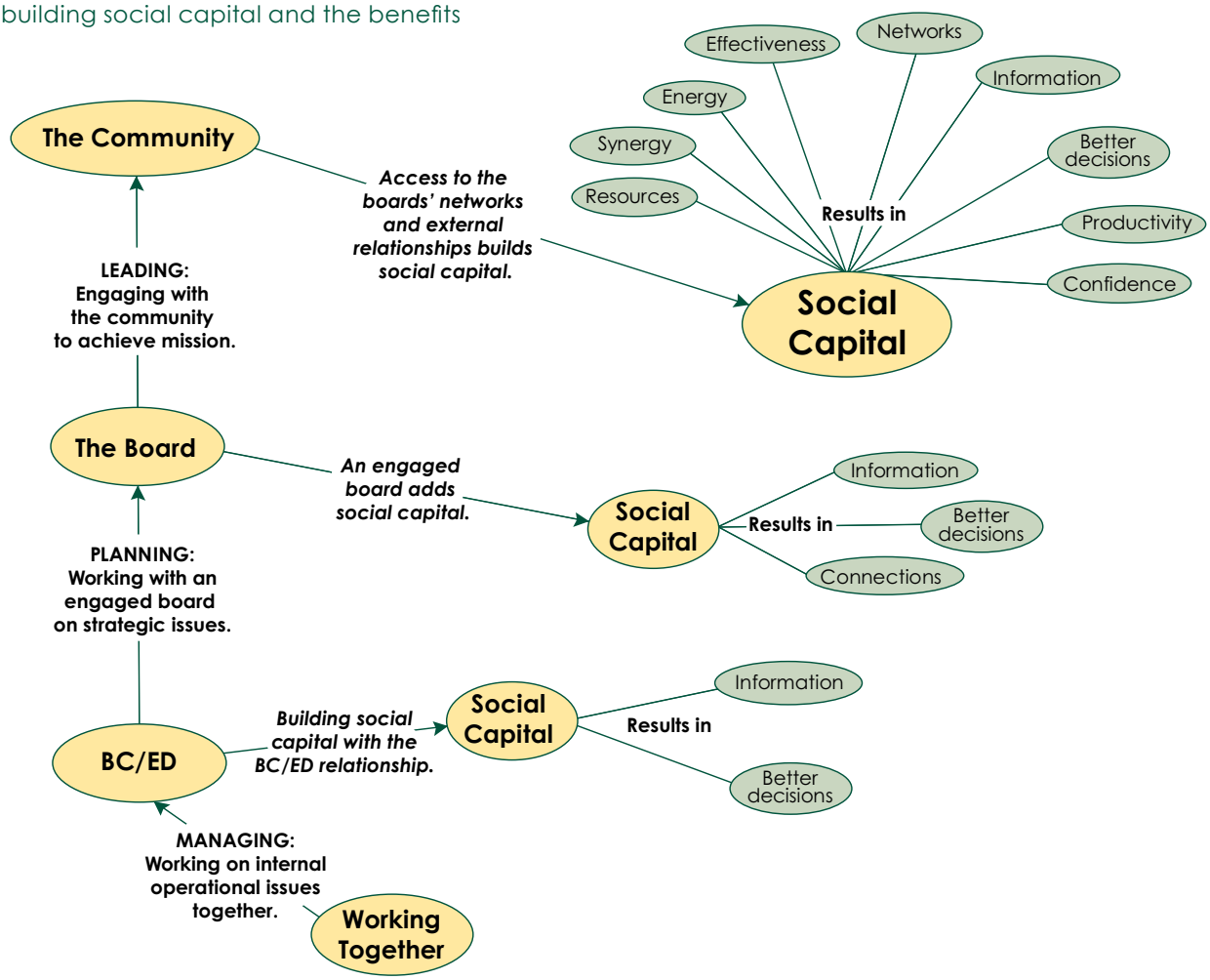
The *leading* pairs worked together, with engaged boards, on issues of organizational vision, mission, and strategic focus. They described energy and synergies in their relationship, and with the board and the staff, that catalyzed organizational productivity and engagement with the community. They reported leveraging the relationships and expertise of the board as a result of how they worked together and how this enabled them to make many connections with key people in the community such as funders and legislators. One *leading* pair reported increased engagement with local ethnic communities around strategic issues that the board chair directly attributed to the relationship with the executive director and how they worked together.

Sources of social capital among the *leading* pairs included board relationships with staff. One executive director described how the energy of the board had spread to the staff and that the quality of the board that he and the board chair attracted contributed to high staff morale. Another board chair described significant involvement between the board members and staff in working together in key projects and sharing expertise in the organization.

Leading pairs worked with engaged boards on mission-related and strategic work. Their boards were active and lending their expertise to the organizations in ways that went beyond their board roles. These pairs described a web of board, staff and community relationships. The social capital built in these relationships facilitated access to a variety of resources—intellectual, financial and social—needed by the organizations. The reach of relationships touched by these board chairs and executives spanned organizational boundaries. They reported attracting more people to the organizations (e.g., volunteers) and emphasized that relationship resources were more fully utilized. The *leading* pairs noted powerful impacts on the organizations that resulted from their relationships, how they worked together and the social capital created. *Leading* pairs described the influence of their relationships on the organizations as motivating, energizing, and engaging others (staff, board members, and stakeholders) on the organizations' behalf. They described their own involvement with an engaged board of directors—individuals who were giving "work, wealth, and wisdom"—and the valuable personal connections their relationship and their board members' relationships yielded.

Leading pairs conveyed that, together, they helped to create the confidence and synergy that permeated the whole organization and improved effectiveness. These findings are reflected in *Figure 2* below.

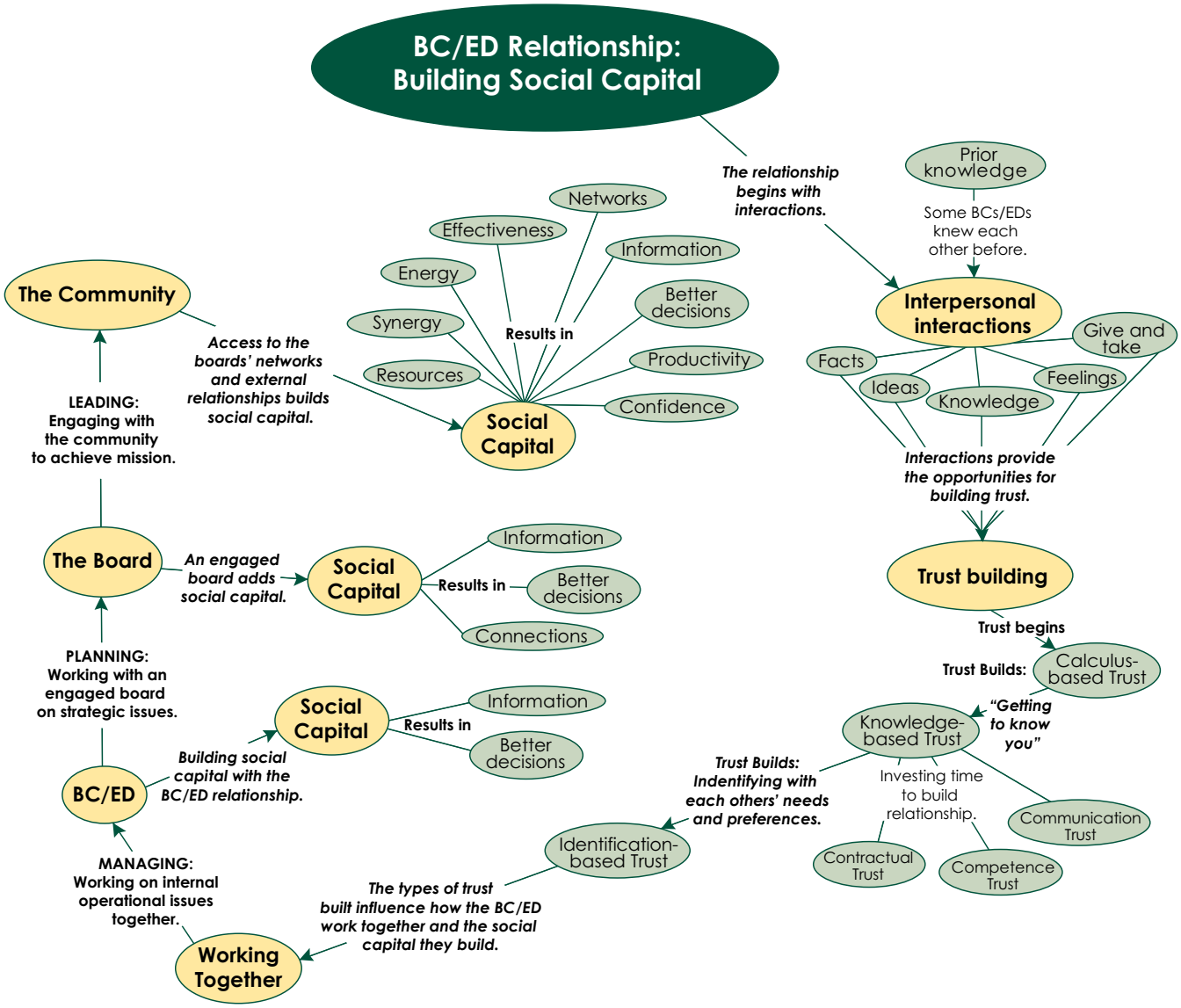
Figure 2. Board chair-executive relationships' influence: building social capital and the benefits



DISCUSSION

This study provided a closer look at the dynamics of the board chair-executive director relationship in nonprofit organizations and asked if and how this relationship matters to the organization. Consistent with the literature (Carlson & Donohoe, 2003; Howe, 2004; Light, 2002; Millesen, 2004) study participants responded with a resounding "Absolutely" when considering whether the relationship mattered. Despite this strong consensus, or maybe because of it, there had been no empirical exploration of why or how this relationship matters to the nonprofit organizations executives and board chairs serve. By exploring the interpersonal dynamics of the relationship and its impact, this study took a step toward understanding the powerful potential of this important leadership pair.

Figure 3. Shows the relationships among all of the findings discussed.



Trust-building was the primary dynamic in the board chair-executive relationships studied. The nonprofit governance literature emphasizes the importance of trust for an effective board chair-executive relationship but falls short of detailing the interpersonal dynamics and specific behaviors that actually build trust. General statements that information sharing and/or communication are important to the board chair-executive relationship do not reflect the nuances of the relationship dynamics. The *great* relationships all demonstrated identification-based trust. Identification-based trust reflects a closer, more personal relationship. Understanding these nuances can give board chairs and executives the tools they need to build a *great* not just a *good* relationship; to value, not avoid, a more appropriate personal dimension to their interactions. Building a personal connection between the board chair and the executive director is not only desirable, but contributes to creating social capital.

The *leading* board chairs were very involved and had frequent, direct contact with staff with whom they worked on specific and varied projects. Contrary to the common view that this type of hands-on, board involvement is characteristic of younger, less sophisticated nonprofits, these participants chaired some of the largest, oldest and best-known nonprofits in the study. Open access to staff was cited several times by board chairs as a source of trust in the executive.

The social capital generated by study pairs resulted in numerous benefits for the organizations. These included: energy, productivity, synergy, links to numerous networks, access to information, and improved decision-making. This study reinforces those who note that nonprofit organizations are uniquely suited to maximizing the potential and promise social capital offers organizations (Chait, Ryan & Taylor, 2005; King, 2004). From generating more productive work within the organization to building critical, richly resourceful relationships with stakeholders, nonprofit organizations have the opportunity to offer meaning and connection which attracts and builds social capital.

Purposeful attention to relationship building can increase social capital. It was interesting that the majority of study participants indicated that they did not think about working on the relationship—as compared to working on the business of the organization. In the words of one executive: "You forget it's a relationship." This is particularly surprising given the adamant affirmations of the importance of the relationship to the organization by almost every study participant. If, as the findings suggest, the creation of social capital was an unconscious byproduct of a high-trust relationship, it suggests that the potential for social capital creation in the study nonprofit organizations was even greater and unrealized.

Relationship building takes time and skill. Failure to recognize the potential and value of social capital for the nonprofit organizations they serve, results in the investment of board chair and executive's energies and attention elsewhere. The multiple, competing demands they encounter require purposeful, strategic thinking in considering where to invest for the best social capital return. This study highlights that one of the first places to invest is in their own relationship.

IMPLICATIONS FOR PRACTICE

Nonprofit leaders need to recognize that the board chair-executive director relationship is an important and powerful resource that can be leveraged in support of the organization's mission. They need to promote and engage in dialogue about how to best develop and nurture it. Board chairs and executives should focus on their relationship, recognizing that building the relationship itself is an important component of their work together.

Nonprofit leaders need to ensure that the importance of this leadership dyad is reflected in the practices of board chair selection, terms of office, expectations of executives, and board leadership

development. Several board chairs interviewed indicated that their boards spend more time concerned about who to bring on the board and how, than they spend on determining leadership succession—who will be the next board chair and why? And, what is the executive director's role in the process? Although board chairs and executives alike felt positive about their current relationships, the study yielded over twenty stories from them about the times the relationships of the past had not worked and what a negative impact it had for the organization.

Nurturing relationships and establishing and sustaining trust is strategic work essential to organizational effectiveness. The power and potential of relationships must be more broadly recognized and promoted. The importance of connection, caring and meaning should not be lost in an overemphasis on more "business-like" practices and claims of harried busyness. Trustworthiness is the basis of effective leadership. Nonprofit leaders are stewards of the well-being of individuals and our communities: board chairs and executive directors comprise the key leadership fulcrum of nonprofit organizations. It is a myth that what is personal is not professional and what is professional is not personal. The potential to leverage the board chair-executive director relationship and increase nonprofit organizations' stock of meaningful, productive relationships, (i.e. social capital) is great and unrealized. Building and nurturing this relationship must be a priority. ■

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Fostering Effective Relationships among Nonprofit Boards and Executive Directors

***Jodie Butler Markey and Dwight V. Denison**, University of Kentucky, Martin School of Public Policy and Administration* [1]

Nonprofit boards make major decisions for their organization such as setting the mission, strategic planning, budgeting, and hiring an executive director. As a result, board members hold a large portion of the power within nonprofit organizations. On the other hand, important decisions about the day to day operations of the organization are made by executive directors. It is therefore critical for executive directors and nonprofit boards to foster productive relationships in order for the nonprofit organization to accomplish its mission and to ensure that positive decisions are made for the organization.

The purpose of this paper is to identify some key factors that promote effective relationships between the board and the executive director. To accomplish our objective, we identify from the literature several important activities relevant to the board-director relationship. We then analyze the survey findings of executive directors of nonprofit organizations in the Lexington, Kentucky, area to determine which of the factors are correlated with healthy and effective director-board relationships. The objectives of our paper can be summarized in two research questions:

- What makes an effective board-executive director relationship?
- Which elements of the organization or board might be related to the effectiveness of the board-executive director relationship?

The use of a governing board as a major decision-making body is an integral component of the nonprofit sector. While board members are not paid and often perform the duties of volunteers, they have additional responsibilities that differ from those of a normal volunteer. States have passed different laws to define permissible behaviors for board members, usually including the idea that board members must act in good faith when making decisions for the organization. For example, Kentucky law requires that a director (board member) "shall discharge his duties as a director, including his duties as a member of a committee: (a) In good faith; (b) On an informed basis; and (c) In a manner he honestly believes to be in the best interests of the corporation." (Kentucky Revised Statutes 273.215, 1989). Board members can be held liable for the harmful actions of the organization and in some situations can even be sued as agents of the organization (Duca, 1996). Directors and Officers Insurance can be purchased to financially protect board members, but appropriate behavior is still a responsibility that board members must always demonstrate.

Boards wield tremendous authority as they are frequently responsible for performing a myriad of duties including setting the mission, strategic planning, budgeting, and hiring the executive director. Since executive directors of nonprofit organizations do not hold the same level of concentrated power as chief executives in for-profit organizations, they must build a good working relationship with the board to ensure that favorable decisions are made for the organization. For nonprofit executives, Collins (2005) recommends using legislative leadership to be respectful of the board's power while still working towards positive decisions for the organization. Legislative leadership relies on

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persuasion, political currency, and shared interests in order to create an environment in which the right decisions can be made (Collins, 2005).

WHAT MAKES AN EFFECTIVE BOARD-EXECUTIVE DIRECTOR RELATIONSHIP?

A review of the literature on board-executive director relationships suggests that four factors are important in building a solid relationship between the board and executive director:

- Executive director perceptions of board engagement in the organization,
- Expectations for the executive director,
- Expectations for the board, and
- Board-executive director communication.

Board engagement in the organization

There are several ways boards can be effectively engaged in the work of the organization. Vartorella suggests that boards should be held accountable for fundraising for the organization and that annual giving comes with the responsibilities of being a board member (Vartorella, 1997). Research by Wolf suggests that if board members are not giving back to the organization and are not soliciting funds, then the organization could have some problems when it comes to recruiting outside donors (Wolf, 1999).

Another way to promote board member activity is to provide adequate orientation for new board members. Orientation may include a number of items ranging from providing a board manual to giving out an annual job description for board members to having a formal informational session. These orientation activities give new board members a chance to become familiar with the organization and the responsibilities of being on the board (Koch, 2003). In fact, Koch contends that orientation and training are "a must" (Koch, 2003).

> For nonprofit executives, Collins (2005) recommends using *legislative leadership* to be respectful of the board's power while still working towards positive decisions for the organization.

Regular attendance at meetings is also important for board engagement. Reading the minutes of the meeting or participating via electronic means is not judged to be at the same level of engagement as attendance at the board meetings (Kilmister & Nahkies, 2004).

Expectations for the executive director

In the formal hierarchy of nonprofit organizations, executive directors are directly below the board. Having an executive director that is clearly accountable to a functioning board is a situation unique to nonprofit organizations (Drucker, 1989). As a result, executive directors should strive to meet the needs and expectations of the board. According to Swanson, these needs and expectations can include regularly reporting on the status of the organization and carrying out the goals and objectives for the organization set forth by the board. In order to make informed decisions for the organization, the board needs to receive regular reports on the status of the organization (Swanson, 1989). The board can also outline organizational objectives for its executive director (Swanson, 1989). Even though the board may be at the top of the organizational chart, it is important that board members and the executive director see each other as colleagues working to achieve the same goals (Drucker, 1989).

Expectations for the board

According to nonprofit fiduciary statutes, the board members of nonprofit organizations are generally charged with the duty of care, the duty of loyalty, and the duty of obedience (Gibelman, Gelman & Pollack 1997). These duties entail acting prudently when making decisions regarding the organization, acting in the best interests of the organization instead of the best interests of the board member, and being obedient to the mission and goals of the organization (Gibelman, Gelman & Pollack 1997). While these legal responsibilities

may vary slightly from state to state, these are the basic legal expectations for board members. However, the executive director will have additional expectations of board members in order to help the organization run smoothly. A major task that the board must undertake is the evaluation of the executive director's performance. This task is one of the main responsibilities the board as a whole must undertake (Iecovich, 2004). This responsibility goes hand in hand with the board's responsibility to hire and potentially fire executives. Boards should also focus on long-term planning for their organizations, as it is their responsibility to set the goals for their organizations (Carver, 1990). Carver also asserts that boards should strive to be open and accountable to their stakeholders and their communities (Carver 1990). Board members hold a great deal of responsibility and their involvement is crucial to the success of the organization.

Board-executive director communication

According to research in this area, clarity of roles and expectations is critical to having a successful board-executive director partnership. Regular communication is also an important component of a successful partnership. It is recommended that the executive director and the board president communicate at least once per week in order to keep the lines of communication open (Koch, 2003). It is not uncommon for the executive director to spend a large portion of time communicating with board members outside of meetings. There is no magic number of hours or minutes that is the best amount of communication time between executive directors and board members. Some boards want to be actively engaged in many decisions, while other boards are content to handle the major decisions and leave the smaller issues to management. Thus, the board should clarify the decisions on which they should be consulted, and which decisions the executive director can be responsible for (Eadie, 1996). Likewise, the executive director should ensure that board members understand the responsibilities that come with being on the board of the organization (Weisman, 1995).

RESEARCH METHODOLOGY

A survey was developed and administered to the directors of nonprofit organizations in Central Kentucky to examine the important factors of effective nonprofit board-executive director relationships. The perceptions of the board-director relationship were assessed from the viewpoint of the executive directors. There was no attempt to survey the board members of these organizations. The survey was administered via a website to sixty executive directors from nonprofit organizations with paid executive directors and located in Lexington, Kentucky. Out of the sixty organizations identified in the sample, thirty-six executive directors responded to the survey for a 60% response rate.

The executive directors were contacted by phone prior to receiving an e-mail invitation to complete the survey in case they had any questions or concerns about the study. This delivery method for the survey allowed the executives to complete the survey at the time that best suited them. However, if the executive did not have access to the internet, he/she was offered the opportunity to take the survey over the phone. A week after initial contact, a reminder was sent to the organizations that had not yet completed the survey. All participants were guaranteed confidentiality so that no information gathered by these surveys would come back to harm the executive director or the organization in any way.

Several assessment tools have been developed by researchers to examine the effectiveness of the board on the organization as whole. The Governance Effectiveness Quick Check is a test that measures the effect of board practices on the overall health of the organization. This tool was developed by Gill, Flynn and Reissing (2005) as an abridged version of their Governance Self-Assessment Checklist. The Governance Self-Assessment Checklist tests 144 items and assigns a Governance Quotient to each organization that shows the effectiveness of board governance practices. This research determined that there was a high correlation between the scores on the Governance Effectiveness Quick Check and the Governance Self-Assessment Checklist (Gill,

Flynn and Reissing, 2005). Our survey included questions from the Governance Effectiveness Quick Check to gauge the overall performance of the boards.

The survey consists of twenty-nine close-ended questions and three open-ended questions. The close-ended questions required a few words for response, a multiple choice answer or an answer based on a Likert scale. For these statements the following Likert scale was used; 1, strongly disagree, 2, disagree, 3, somewhat disagree, 4, somewhat agree, 5, agree, and 6, strongly agree. These statements were designed so that a 6, strongly agree is the best answer and 1, strongly disagree is the worst answer. There were three statements where strongly disagree was the best answer and strongly agree was the worst answer, but the statements and answers to these statements were inverted after the survey collection was complete. Fifteen of the questions in the survey were taken directly from other survey instruments while seventeen of the questions were developed based on the literature review.

Based on previous literature and studies, we propose four primary factors that are believed to influence the value of the IGE score: organizational characteristics, executive director's tenure, board activity, and communication.

Organizations were also given an overall score for their answers on the Likert scale statements as a measure of governance effectiveness. The overall score was tallied by averaging the Likert scale answers for each organization based on the 12 factors that Gill, Flynn and Reissing (2005) used to measure governance effectiveness in their quick check model. The average score can therefore be referred to as The Index of Governance Effectiveness (IGE). The four components of the IGE with the highest average rankings (average score in parentheses) are:

- Board meetings are well-managed (i.e. there is a set agenda, time limits are observed, etc.). (5.47)
- The board's capacity to govern effectively is not impaired by conflicts between members. (5.36)
- I know which decisions can be made without board consultation and which decisions need board consultation. (5.22)
- Board members demonstrate commitment to this organization's mission and values. (5.22)

The following statements received the lowest average rankings from the sample:

- The board is actively involved in fundraising efforts for this organization. (3.69)
- The whole board is responsible for a regular evaluation of the executive director/CEO's performance. (3.69)
- The board outlines measurable goals, objectives and expectations for my performance. (3.94)

The focus of our study was to identify the factors that are more influential on the governance effectiveness as measured by the IGE. Based on previous literature and studies, we propose four primary factors that are believed to influence the value of the IGE score: organizational characteristics, executive director's tenure, board activity, and communication. Information on these factors was collected for each organization through the survey.[2] The specific variables are now discussed.

The organizational characteristics include size of the board (Boardsize) and age of the organization (Age). As the number of board members increases there are

2 Here are the questions as presented on the survey. How many people are on your organization's governing board? How long have you been the executive director of your organization (in years)? When was your organization established? What percentage of your board members make monetary contributions to the organization at least annually? What is the average attendance rate at your regularly scheduled board meetings? How many hours per week on average do you spend communicating (via phone, e-mail or in person) with your board president outside of meetings? How many hours per week on average do you spend communicating (via phone, e-mail or in person) with all other board members outside of meetings? Does the board conduct a regular evaluation to review your job performance?

more opportunities for conflict with other members and it becomes easier for some members to shirk their responsibilities. The age of the organization is determined as the number of years since it was established. It is unclear whether the organization's age will be a positive or negative influence on IGE.

The second factor is the executive director's tenure at the organization. This variable (Tenure) is measured by the number of years that the executive director has held that position. A longer tenure is expected to increase the governing effectiveness as measured by the IGE.

Board member activity is expected to influence IGE. Two variables are included as proxies for board activity. Attendance at board meetings is measured as average percent attendance at board meetings (Bdattendence). The other variable is the proportion of the board members that make a contribution to the organization (Bdcontributions).

The last factor is communication. Communication is arguably a more important factor than the other three from the perspective of an executive director seeking to improve the quality of governance. Communication is important because the time spent communicating is a factor within the control of the executive director, whereas the organizational age and director tenure are largely non-controllable factors. An executive director can only indirectly influence board activity. Three variables are employed as important measures of communication. The first is the number of hours the executive director spends each week communicating with the board chair or president outside of scheduled board meetings (Chair-hours). The second variable is the number of hours the executive director spends each week communicating with individual board members outside of board meetings (Board-hours). The third variable (Job performance) is a descriptive variable equal to one if the board conducts a regular evaluation to review the job performance of the executive director.

The descriptive statistics for the variables are presented in *Table 1*. The Pearson correlation for the variables is shown in *Table 2*. The Pearson correlation examines the degree of correlation among these items to determine whether the relationship was positive or negative. The correlation coefficient can range from -1 to 1. In this range, 0 means that there is no relationship, positive values mean that there is a positive relationship between the variables and negative values mean that there is a negative relationship between the variables. Statistical significance (5% level) is indicated in the table by an asterisk.

Table 1: Descriptive statistics for dependent and explanatory variables

Variable	Mean	Median	Std. Dev.	Min	Max
IGE Score	4.802631	4.8421	0.588691	3.1053	5.7895
Boardsize	18.66667	15	12.15143	5	60
Age	32.30556	29	24.08891	2	94
Tenure	5.805556	2	6.777355	1	25
Bdcontributions	62.02778	77.5	39.18344	0	100
Bdattendence	72.16667	75	18.71668	10	100
Chair-hours	3.583333	2	5.129049	0	30
Board-hours	2.638889	2	2.331802	0	10
Job performance	0.805556	1	0.401387	0	1

Based on 36 respondents. See text for variable descriptions.

Table 2: Pearson Correlation Statistics

	IGE Score	Boardsize	Age	Tenure	Bdcontributions	Bdattendence	Chair-hours	Board-hours	Job performance
IGE Score	1.000								
Boardsize	0.082	1.000							
Age	0.089	0.060	1.000						
Tenure	0.438*	-0.010	0.128	1.000					
Bdcontributions	0.167	0.305	-0.148	0.058	1.000				
Bdattendence	-0.217	-0.241	0.141	-0.018	-0.222	1.000			
Chair-hours	-0.081	-0.152	-0.107	0.237	-0.216	0.351*	1.000		
Board-hours	0.386*	0.458*	0.174	-0.230	0.348*	0.042	-0.092	1.000	
Job performance	0.533*	0.221	0.311	0.216	0.122	-0.079	0.084	0.320	1.000

* Statistically significant at .05 level. Obs = 36

Table 3: Estimated Coefficients on Regression Model

Score	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Boardsize	-0.01124	0.004842	-2.32	0.028	-0.02118	-0.00131
Age	0.001242	0.003766	0.33	0.744	-0.00649	0.008969
Tenure	0.027975	0.011577	2.42	0.023	0.004221	0.05173
Bdcontributions	0.000985	0.00218	0.45	0.655	-0.00349	0.005458
Bdattendence	-0.00944	0.003153	-2.99	0.006	-0.01591	-0.00297
Chair-hours	0.003212	0.012821	0.25	0.804	-0.02309	0.029518
Board-hours	0.084259	0.038681	2.18	0.038	0.004892	0.163625
Job performance	0.4871	0.332737	1.46	0.155	-0.19562	1.169819
_cons	4.803778	0.345127	13.92	0	4.095636	5.511921

The model is statistically significant in that F(8, 27) = 5.03 R-squared = 0.5060 Obs = 36

IGE is statistically correlated with tenure of the director, weekly hours of director communication with board members and the job performance review variable. Also note that board hours is correlated positively with board size and the percent of the board members making contributions. These correlations are generally consistent with our expectations though all have correlation coefficients less than .5 indicating moderate correlation.

A regression model is employed to further examine the relationship of the variables on IGE. The regression coefficient estimates are presented in *Table 3*.[3] The coefficients on Boardsize, Tenure, Board-attendance, and Board-hours are all statistically significant at a .05 level. Age, Board contributions, Chair-hours, and Job performance are not statistically significant in the regression model.

3 The regression corrects for heteroskedasticity by using robust standard error. The variance inflation factor did not suggest multicollinearity concerns.

DISCUSSION

The regression estimates provide some interesting insights as to the factors that influence the IGE for the nonprofit organizations in Lexington. Board size and board attendance both reduce the effectiveness score. As boards get larger, it appears that management of the board relationship is more complex and on average reduces the IGE score. It is a little surprising that board attendance reduces effectiveness, as one would expect that board engagement would lead to more effective boards, but it appears that more participation makes for less effective board-director relationships. It seems that too many chefs in the kitchen spoil the soup. In both cases, the negative coefficient is quite small, meaning that the addition of a board member has a small negative impact on IGE. There are clearly benefits to having a large board, and for many organizations the benefits of having a large board could outweigh the concerns associated with a reduction in IGE.

The length of time that the executive director has worked at the organization is an important factor to effective relationships. Every year of tenure at the organization increases the IGE score by .03. The average IGE score is 4.8 on a six point scale, so an organization with an average IGE score that increases the tenure of the executive director by one year will increase their IGE to 4.83 holding all other factors constant. These findings might indicate that executive directors who do not have a good relationship with their board may not stay with the organization for a long period of time or that effective governance practices can lead to a long, effective board-executive director relationship.

It is an interesting finding that the number of hours per week spent communicating with board members outside of board meetings through phone calls, emails, letters, etc. is associated with higher IGE scores. The average organization will increase the IGE score from 4.8 to nearly 4.98 by the executive director spending two additional hours per week communicating with the board. Note that the relevant communication is with board members, not the board chair. The coefficient on Chair-hours is not statistically significant from zero. Thus the sample's 3.6 average hours per week seems adequate for most directors for communicating with the board chair or president. The board chair has an important role, but the executive director should also make efforts to communicate directly with all board members. An additional benefit is that the hours-per-week communicating with the board is positively correlated with the percent of board members who donate to the organization (see *Table 2*).

SUMMARY

Prior research identifies board engagement and communication as important determinants for effective relationships among board members and executive directors. We surveyed thirty-six executive directors in Lexington, Kentucky, and analyzed their perceptions of effective board-executive director relationships as assessed through the IGE questionnaire (Gill et. al. 2005). The survey findings report that, on average, the samples' boards managed their meetings well, had low levels of infighting, established clear guidelines for decision making authority and demonstrated a commitment to the organization's mission and values. The analysis of survey responses indicates that the length of time that the executive director has worked for an organization is an important factor in effective board–director relationships. There is also evidence from the surveyed group that increasing the number of hours per week that the executive director communicates with board members (excluding the board president) will improve the board-executive relationship. The study is limited in terms of geography and the types of respondents who where surveyed. Since the sample is limited to nonprofit organizations in Lexington, Kentucky, the results may not be representative of organizations in other locations. Also a more complete picture could be assessed if resources were available to survey a corresponding sample of board members. Matching board member opinions to executive opinions could provide valuable insights into the different visions and ideas of the board members and executives.

There is never enough time in a week for nonprofit executive directors to accomplish everything on their to-do list. Our study serves as a reminder that building and maintaining effective relationships between the board and executive director should be an important priority for the executive director. A little time invested on a regular basis can pay huge dividends over time as the board and the director collaborate more effectively to accomplish mission objectives and financial stability. ■

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Appendix A: Components of Index of Governance Effectiveness Score

COMPONENT QUESTION *Likert scale: 1, strongly disagree; 2, disagree; 3, somewhat disagree; 4, somewhat agree; 5, agree; and 6, strongly agree*	**Mean**	**High**	**Low**	**Median**
This board is actively involved in planning the direction and priorities of the organization.	4.83	6	1	5
The whole board is responsible for a regular evaluation of the executive director/CEO's performance.	3.69	6	1	4
This organization is financially sound.	4.83	6	1	5
Board members demonstrate clear understanding of the respective roles of the board and executive director.	4.63	6	2	5
The board manages the organization's resources efficiently.	4.89	6	2	5
The board has high credibility with key stakeholders such as donors, staff and volunteers.	5.09	6	2	5
Board members demonstrate commitment to this organization's mission and values.	5.23	6	4	5
Board members carry out the duties and responsibilities assigned to them in the bylaws.	4.97	6	3	5
The board's capacity to govern effectively is not impaired by conflicts between members.	5.20	6	3	5
There is a productive working relationship between the board and the executive director.	5.37	6	4	6
I am confident that this board would effectively manage any organizational crisis that could be reasonably anticipated.	5.17	6	2	5
Board meetings are well-managed (i.e. there is a set agenda, time limits are observed, etc.).	5.46	6	4	6
The board uses a set process for making decisions about the organization.	4.89	6	2	5
This organization has a good balance between organizational stability and innovation.	4.77	6	2	5
The board is actively involved in fundraising efforts for this organization.	3.66	6	1	4
I know which decisions can be made without board consultation and which decisions need board consultation.	5.23	6	3	5
The board outlines measurable goals, objectives and expectations for my performance.	3.91	6	1	4
Board members are provided with a statement that outlines their responsibilities to the organization.	5.09	6	2	5

So Many Leadership Programs, So Little Change: Why Many Leadership Development Efforts Fall Short

Mary Genis, *Executive Director, the Tyra Banks TZONE Foundation and Owner of Sintra Consulting*[1]

■ ■ ■

Leadership is less about tracking and measuring progress; it is more about the art of setting a vision and instilling a passion among others for a bold, new future. Yet, a review of the leadership curriculum of several management support organizations (MSO's) and universities reveal there is a plethora of leadership development programs, trainings, and initiatives funded by foundations and managed by MSO's and universities that focus on the basics of management, rather than the art of leadership. "Despite widespread investment in management and leadership education in both the private and public sectors, such programs have not seen uniform success" (Etengoff, 2007, p. 49).

Helping managers become visionary leaders is possible, but it is not easy. Knowing *what* to do is different from knowing *how* to do it, and this is certainly the case for developing leadership effectiveness. Leaders learn about leadership by *being* in a certain mindset. They become stronger leaders by learning from past experiences, and becoming wiser predictors of changing circumstances. Leaders learn how to develop followers by carefully planning and executing actions that build support, enthusiasm and confidence from a wide range of stakeholders. These are not activities that occur in a classroom; they happen on the job.

It seems that the well-intentioned efforts of many MSO's and universities to develop nonprofit leaders have missed the mark, and this has serious implications for the future. Because of the large number of nonprofit managers these two types of organizations reach and train, they are too significant to not address how they should modify their approach to leadership development.

Based on a review of the literature, online searches, and seventeen years of experience as a leadership practitioner (in the capacity of consultant, executive coach and grant maker), this author suggests that more MSO's and university programs billed as *leadership development* courses need to make two fundamental shifts:

1. Focus more on building leadership competencies rather than management skills.

2. Incorporate best practices of adult learning in their leadership development efforts.

This article makes the case for refocusing the content and delivery of traditional leadership development efforts of many MSO's and university programs. The author contends that leadership development programs should incorporate:

- Designing a structure that yields time for self-reflection and builds self-awareness.
- Requiring individualized learning objectives and self-development plans.
- Differentiating between good and great performance (as suggested by Jim Collins).
- Allowing growth and development to occur in real time, while on the job.

By incorporating and modifying the content and the delivery of leadership development programs, foundations that fund programs will realize a greater return on their investment. They may also see evidence of the impact of these programs in the community. This is especially needed as more is being expected of nonprofits and their leaders. "As more attention is paid to strengthening the capacity and performance of nonprofits, more is being

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demanded of their senior management teams" (Tierney, 2006, p. 12).

MODIFYING THE CONTENT

A review of the seminar content billed as executive leadership programs of several MSO's and universities reveal they are really basic skill building endeavors – valuable for front-line staff or middle managers – but they do not develop leadership potential.

Many MSO's offer leadership programs geared towards new, emerging or incoming executive directors. When coursework is geared towards new managers, the topics inevitably go back to basics. At the Center for Nonprofit Excellence in Central New Mexico for example, the curricula includes HR essentials, Advertising and Promotions, and Essentials for Management. (http://www.centerfornonprofitexcellence.org/home/leadershipcalendar). Similar curricula for emerging leaders and their nascent organizations is offered by a number of MSO's including the Michigan Nonprofit Association, Robert Morris University, and the Center for Nonprofit Management in Nashville to name a few.

> Knowing *what* to do is different from knowing *how* to do it, and this is certainly the case for developing leadership effectiveness.

A review of courses offered by the Center for Nonprofit Management in Los Angeles over the last year includes the following courses under their executive leadership banner: The Mechanics of Board Operations; Building and Maintaining an Effective Board of Directors; Delineating Board/Staff Roles; IRS Regulations of 403-B Plans; and Tools for New Executive Directors that includes such topics as fundraising, strategic planning, and financial management. (http://www.cnmsocial.org/training/seminars/leadership-initiatives.html). These are basic management concepts, and they do not necessarily lead to enhanced leadership abilities.

The foundation community has invested in MSO and university programs that teach management concepts rather than building leadership capabilities, and it is through the latter that organizational capacity can be built.

Why do MSO's and their university counterparts focus on management skills rather than leadership capabilities? Thomas Tierney (2006, p. 26) writes, "Leadership shortfalls can be hard to calibrate, awkward to discuss and tempting to avoid." And like Justice Potter Stewart's famous saying about indecency – "It may be hard to define, but I know it when I see it" – leadership is hard to define, let alone evaluate objectively.

It is easy to determine if people have mastered Quick Books or learned to develop a budget. It's simple to measure whether an organization recruited three new board members or secured two new foundation grants six months after training. And in the age of needing to measure everything as proof of doing the things rightly, it is tempting to offer quick-fix programs with outcomes that can be quantified. Perhaps that is why so many MSO's offer similar classes on board recruitment, fundraising, and strategic planning.

A second potential reason for shying away from leadership capabilities may be a fear that addressing things like compelling visions and building followers will turn into a charisma contest or charm school. Peter Drucker said it best:

> Leadership is not magnetic personality – that can just as well be a glib tongue. It is not 'making friends and influencing people' – that is flattery. Leadership is lifting a person's vision to higher sights, the raising of a person's performance to a higher standard, the building of a personality beyond its normal limitations. (1986, p. 159)

A third reason some MSO's and universities may steer away from leadership and focus on management skills instead is they may recognize that organizations need different kinds of leaders, and no one leadership model fits all leaders. Yet in review-

ing the courses offered by the Centers for Nonprofit Excellence in central New Mexico, Akron, and Charlottesville, and the Center for Nonprofit Management in Los Angeles, they deliver a standard curriculum, with everyone learning the same set of ideas and skills. Leadership effectiveness, however, is almost always situation-specific. In 1968, Hershey and Blanchard introduced a model of situational leadership to describe the different behaviors leaders need to demonstrate over changing circumstances (http://www.12manage.com/methods_blanchard_situational_leadership.html).

What an organization needs from its leader at one point in time is often radically different from what it needs at another. "Getting Over Growing Pains," an article featured in *The Chronicle of Philanthropy,* underscored the reality that a leader who is tremendously successful in one environment may be a dismal failure in another because different circumstances call for different leadership styles and strengths (Hall, 2006).

A sound leadership development program that seeks to build organizational capacity should help people recognize when they are managing an organization versus when they are leading it. Most professional development efforts are designed to help people build skills and teach them to *do* something. Developing one's leadership potential is as much as about helping people *be* a leader as it is about learning to do new things.

When nonprofit chief executives reside exclusively in the management terrain, they are much more likely to make incremental progress in advancing their organization. Often the enhancements they make to the organization are fleeting, having an immediate impact, and then tapering off. When chief executives are consistently living in the leadership domain, they are far more likely to achieve breakthroughs. When the philanthropic community develops and funds management training programs that do not address ways to build leadership capabilities, foundations should not be surprised when the number of breakthroughs is few and far between.

In their book *Leaders Who Make a Difference*, Burt Nanus and Stephen Dobbs distinguish leadership from management by noting:

> Managers are charged with operating an organization and ensuring it provides useful services to clients and the community efficiently and effectively. While concerned about the present, leaders are focused on the future direction of the organization, positioning it to take advantage of emerging opportunities, developing new capacities and making it an adaptable, learning organization. (1999, p.8)

Table 1, developed by the author and drawn from various theorists and practitioners, represents some of the differences between leading and managing.

Let us delve into the second example in Table 1. When managers work to get the best return on investments already made, their focus is on becoming more efficient, which is important. But it is not the whole story. What is more compelling is deciding where and when to invest or divest in search of new opportunities. It may be harder to teach this skill than helping managers become more efficient, but the art of seizing opportunities is what distinguishes strong leaders from average managers, and it is a factor in strengthening an organization's ability to fulfill its mission.

When managers focus on the best return on investments already made, they consider, "If we give up doing project A, how will it impact our funding stream, client base and employees?" When a leader focuses on building opportunities, the mindset goes to, "How do I engage funders and staff in a dialog about where we want to be in the future?" It is in this second mindset where new or expanded organizational capabilities will be birthed.

Leaders should be preparing to meet new challenges, not just plan their way out of existing ones. Poet-turned-management guru David Whyte (2006) noted, "It's the job of leaders to step out into the future that's not yet created, to hear the voices that you don't yet recognize."

Table 1: Difference between Managers and Leaders

MANAGERS	LEADERS
Make things happen and keep work on track	Create opportunities and make key choices
Get the best return on investments already made	Decide where and when to invest/divest in search of new opportunities
Set goals and track progress	Inspire achievement and energize people
Learn from their own mistakes	Learn from the success of other organizations
Undertake activities to address established priorities	Prepare the organization for the transitions to meet new challenges
Set plans and deadlines	Set vision and instill a passion
Seek funding for immediate needs	Plan and acquire resources needed in the future
Determine efficiencies and standards	Help others discover what will make a difference
Problem-solve and hold others accountable	Motivate and coach others
Have people report to them	Have followers
Provide the structure	Create the means
Do things right	Do the right things

In response to the looming nonprofit executive succession crisis, more MSO's and university-based leadership development programs are beginning to add leadership content to their existing array of management courses. This is an important trend, but more MSO's need to adapt their content to focus more on leadership. In addition to adapting their content, more MSO's and university programs should consider adapting their model of delivery or pedagogy to include key practices of adult learning.

MODIFYING THE DELIVERY TO INCLUDE BEST PRACTICES IN LEADERSHIP DEVELOPMENT

The most effective leadership development efforts represent a significant departure from the traditional trainings that foundations have supported and MSO's have delivered for years. These programs incorporate many of the best practices of leadership development. The author suggests the four most critical best practices in leadership development programs are self-awareness; participant-specific learning outcomes; understanding the difference between being good at something and excelling at it; and taking time to apply the principles of leadership on the job.

1. Self-awareness

Effective leadership development efforts require people to look inside themselves first, before they look beyond themselves. "The best gift an educator can give is to get somebody to become self-reflective" (Pausch, 2007). Based on the author's work with over 100 nonprofit chief executives, the vast majority of executive directors/CEO's report a lack of frank and specific feedback on how they are perceived. Subordinates are reluctant to offer criticisms; board members are often vague when offering feedback. In the author's experience with dozens of organizations, only a tiny fraction of nonprofits utilize a 360 feedback process to help CEO's test their self-perceptions.

A review of the training programs offered by several MSO's and universities reveal that very few offer a tool to improve self-awareness. One exception is the Executive Fellows Program run by the United Way

of New York City which incorporates a 360 degree assessment process and positions it as a catalyst for change, in addition to building self-awareness (http://www.unitedwaynyc.org/?id=48&pg=exec).

To effectively lead their organizations, all chief executives need to possess the self-awareness of how their reputations, behaviors, decisions, and inactions impact their environment and their teams. The most effective leaders learn not only what new things to take on to be successful in the future, but what behavior or traits they need to shed because those traits will longer serve them in new circumstances. A great irony of leadership development is that the skills and competencies that brought leaders to their present circumstances are rarely the ones they will need to advance their organization to the next level (Goldsmith, 2007).

To effectively lead their organizations, all chief executives need to possess the self-awareness of how their reputations, behaviors, decisions, and inactions impact their environment and their teams.

2. Participant-specific learning outcomes

An effective leadership development effort designed to build organizational capacity needs to be structured in such a way that each participant develops an understanding of what his or her organization needs from its leader now and in the future. That means the take-away's and lessons learned will vary for each participant. One MSO that utilizes individualized learning goals for participants is the Leadership Academy Program for Women Executive Directors in Underserved Communities offered by the Nonprofit Services Consortium in St. Louis (http://www.nonprofitservices.org/WEDUCProgramActivities.html).

In reviewing the curricula offered by MSO's and universities, most run open enrollment programs that attract 15-30 leaders from as many nonprofits. Each leader comes to the session representing a different set of needs and circumstances. Yet, the curricula content for the seminar is predetermined. One example is the Nonprofit Leadership Institute run by the highly regarded Dorothy A. Johnson Center for Philanthropy at Grand Valley State University, in Allendale, Michigan. Their Principles and Techniques for Fundraising program covers the basics of fundraising: how to identify donors, structuring a successful solicitation, building an annual fund donor based, and the importance of planned giving (http://main.gvsu.edu/jcp/?id=66D23C39-F3A9-1409-8FC8D692C4318D89). The content of this and most of their courses is all pre-determined; participants are expected to learn the same principles, and the course objectives remain similar for all participants.

The Grand Valley State example is not the exception to the rule. Indeed, a review of many courses offered by MSO's and universities reveal a standard curricula despite not knowing in advance who will be taking the course, the needs of those organizations, or the needs and skill levels of the participants.

3. Differentiating between good and great

There is a huge difference between outstanding performers and average ones. Research about top performers from both the corporate and nonprofit sectors found strikingly similar results (Zenger & Folkman, 2002, p. 48):

- High performers are consistently more productive than average performers.
- Top managers have lower staff turnover than average ones.
- There is a statistically significant relationship between leadership effectiveness and financial stability; the more effective the leader, the stronger the finances.

In his book, *Good to Great*, Jim Collins noted, "Greatness is not a function of circumstance. Greatness, as it turns out, is largely a matter of conscious choice" (2001, p.11). Programs that hope to

build leadership capacity should help participants differentiate what it means to be good at something and what it means to excel at it.

4. Taking the time to reflect, practice, and learn

We know from adult learning theory that most adults do not learn from a classroom situation; they learn best when they are doing the work required of them. To achieve a change in behavior or embody a new way of thinking, a leader must apply new concepts to their work while on the job and then evaluate whether that change worked. "Get a feedback loop and listen to it" (Pausch, 2007).

Leadership development occurs over time – not in a two-day workshop. More leadership development programs offered by MSO's and universities need to reflect this reality. One example is Rockford College's Nonprofit Governance and Executive Leadership Program (http://www.rockford.edu/nicne/education.asp).

To continuously learn from their experiences and improve along the way, leaders need to take time to assess and reflect on the circumstances and factors which contributed to the outcome. Most leaders are so focused on being action-oriented they fail to learn from their actions or the outcomes that result (Senge, 2006). Learning is an active process, but it does not happen when people do not give themselves time to learn.

SUPPORT STRATEGIES FOR LEADERS

Nonprofit leaders often need a structure that supports time for reflection. One of the mechanisms widely used in the sector is the use of peer learning circles or networks. The benefits of peer learning have been well documented. Since nonprofit chief executives often cite isolation and a lack of peers within their organizations, structured interactions with other CEO's often provide a much-needed support system.

One advantage of peer learning is that a leader can turn to impartial colleagues who bring an informed perspective, but from a distance. This process allows leaders to investigate and understand issues from a range of perspectives, not just their own.

A common business practice increasingly used in the nonprofit sector is executive coaching. A 2006 study published by the Grantmakers for Effective Organizations indicated that 42% of the foundations surveyed provide grantees with funds for coaching. At the same time, the study reports that "many foundation staff lack clarity about what constitutes coaching and how it differs from other forms of technical assistance" (p.2).

Research indicates that one factor that differentiates top performers from average ones can be the use of an executive coach who helps leaders learn from their experiences (Zenger & Folkman, 2002. p. 44). Another study cited by Michelle Gislason of CompassPoint noted that training alone can improve productivity up to 28%, but a combination of training and coaching can increase productivity as much as 88% (2007, p. 6).

Coaches help leaders question their assumptions, interpretations and conclusions. Leaders often need support to help sustain momentum for change when resistance appears. Coaches offer encouragement to keep raising the bar, provide candid, impartial feedback when things do not go as planned, and offer options for moving ahead. Chief executives of nonprofits in particular need some type of support mechanism for this reflection, application and learning cycle.

The Community Resource Center of Colorado recognizes the need for this support and incorporates a professional coaching program as a part of its Leadership Program. The coaching provides ongoing support to the leader following the classroom experience to ensure each participant is able to implement the plans they developed (http://www.crcamerica.org/leadership_coaching/Leadership/default.asp).

Indeed, the role of a leadership coach is to help leaders reveal assumptions or behaviors that produce unintended results. Coaches go beyond helping leaders embody new skills and capabilities;

they create a shift in the leader's context so the person becomes capable of behaving differently, enabling them to have a radical impact on their team and organization. Hargrove calls this kind of transformational learning "Triple-Loop Learning" – a requisite for achieving breakthroughs (1995, p. 60).

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PHILANTHROPY AS CHANGE AGENT

A funder wishing to build leadership capabilities to strengthen the organizational capacity of the nonprofit sector should consider four new strategies:

1. Shift funding

Many management support organizations offer programs that build basic management skills in the current generation of leaders. But they should be targeting the next generation of leaders. Boards and funders should reasonably expect CEO's to bring expertise in fundraising, board development, finance and personnel before they lead an organization. If the sector is going to be serious about improving performance, strengthening its effectiveness and adhering to increasingly higher standards of accountability, front-line managers need to become more familiar with the basic fundraising, budgeting, personnel, and governance responsibilities well before they become executive directors or CEO's. Development managers should be working with development committees of the board, program staff should know how to manage the board's program committee, and CFO's should learn how to interact with the finance committee of the board before being tapped to become an organization's chief executive.

Foundations can recognize the need to build skills at this level within organizations so that management training programs are targeted at middle managers and leadership development is offered to top performing chief executives.

2. Encourage nonprofit boards to support leadership development

There needs to be a profound mind-set shift away from the current nonprofit culture that insists professional development be geared towards those leaders who are faltering or are new to their role. In the author's thirteen years of in-depth work with nonprofit boards, the vast majority are more willing to spend money to address problems with their executive director than to invest money in their leader's development before problems arise.

To ensure a pipeline of future leaders and retain top performers, we need to take a lesson from the corporate sector where leadership development is deemed critical to an organization's success. A high percentage of corporations provide high performing managers with professional development opportunities throughout their careers.

Boards of nonprofits need to recognize that their organization's ability to consistently deliver results depends on the quality of their people more than on any other single variable. This emphasis on the importance of the quality of people has been validated by Jim Collins (2001, p. 63) along with a number of other leadership commentators and management authors.

How can funders influence boards without becoming too intrusive?

- Offer matching grants for CEO's to attend leadership development programs.
- Provide full or partial reimbursement to organizations that send their mid-level managers to management training programs.

- Partner with executive education programs run by institutions like Stanford or the Center for Creative Leadership to offer discounts or incentives to encourage boards to send chief executives to these programs.

The Atlas Family Foundation and Whitecap Foundation of Los Angeles and the Meyer Foundation of Washington D.C. each work closely with their grantees in a number of ways to build organizational and leadership capacity, all without dictating program outcomes or delving into grantees' operations. "Community foundations in cities such as Chicago, San Diego and New York are expanding programs to build local organizations' leadership capacity" (Tierney, 2006, p. 25). Innovative funders like these have utilized a number of ways to develop institutional leadership and reward high performers. These funders send a clear message to boards of directors that leadership matters.

Funders can also educate boards of directors by emphasizing the developmental rather than remedial nature of professional development. Programs like the Durfee Sabbatical program (http://www.durfee.org/programs/sabbatical/program%20goals.html) explicitly target the most creative, experienced and gifted nonprofit leaders, sending a powerful message to nonprofit boards of directors that personal development is a lifelong process.

3. Support top leaders

Rewarding top leadership and showcasing outstanding nonprofit leaders is another strategy. Foundations can also help change the unfortunate stigma nonprofit boards sometimes attach to leadership development: that it is a remedial intervention, rather than a reward and perk designed to highlight and enhance top performers. The James Irvine Foundation among others has recognized that linking leadership development to organizational recognition programs is a win-win for grantees and philanthropic foundations. By supporting and recognizing top leaders, the foundation community sends the message that professional development is expected at all levels, and that the most competitive programs are reserved for the top performers.

For-profit companies that have both a strong executive education culture and a charitable giving program could send a small cadre of their grantees' leaders to company leadership development programs.

4. Recognize the potential of executive coaching

A 2003 evaluation of a CompassPoint Coaching Project by Harder + Co. (2003) outlined six areas in which coaching had a profound impact on leaders and their organizations. Some of the key findings included:

- Improved ability to connect to the organization's vision and lead others in fulfilling it;
- Increased confidence in exercising leadership;
- Improved relationships with board and staff;
- Improved clarity of decision-making, roles and responsibilities throughout the organization;
- Improved fundraising capacity and financial stability;
- Better teamwork, cooperation, communication and productivity.

This study, along with a small number of other evaluations on the value of executive coaching point to the dramatic differences that coaching can have not only on the leader, but on his or her organization as well. Skilled coaches provide essential support to nonprofit leaders as they guide their organizations into the future.

Many foundations already provide resource directories listing organizations that offer capacity building services. Funders could consider publishing a vetted list of certified coaches specializing in the nonprofit sector to help steer leaders to qualified coaching professionals. They could also provide online links to make it easy for grantees to find certified coaches.

CONCLUSION

Many community-based nonprofit organizations provide a critical social safety net that society has come to rely on for providing basic services. Each of these organizations needs strong, visionary leaders who are able to compel others to join their cause and support their efforts. Rising to meet and overcome increasingly complex challenges with limited resources is an everyday part of an executive director's job. The sector's success in grooming, sustaining, and retaining leaders may hinge on providing them with the right kind of training and support.

As key players in the training and development environment, more MSO's and university leadership programs should shift their emphasis to focus on building leadership capabilities and using accepted best practices in adult learning. Foundations that fund MSO's and university programs should require both of these adaptations. These modifications will help ensure more leaders are able to meet the increasing challenges. ■

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Coaching Strengthens Nonprofit Leaders and Their Organizations

Carolyn J. Curran, *organization development consultant and Certified Leadership Coach (Full Range Leadership Model)*[1]

■ ■ ■

You cannot teach a person anything;
you can only help him find it within himself.
—Galileo

Coaching brings more humanity into the workplace.
—Myles Downey

Coaching is a relatively new and promising tool for leadership development for nonprofit leaders who find themselves in an increasingly challenged and often isolated role, according to a national study of nonprofit executive leadership conducted by Compass Point (Wolfred, Bell and Moyers, 2001). Statistical surveys and anecdotal evidence alike support coaching as a great instrument for advancing nonprofit leadership and improving nonprofit organizational effectiveness.

Yet coaching remains an under-utilized resource. Apparently, well over 60% of nonprofit leaders who want leadership coaching are not getting it. In various surveys, 89% of nonprofit leaders (Wolfred, Bell and Moyers, 2001) and 71% of foundation funders (BTW Consultants Inc. 2006) are in favor of executive coaching to promote leadership development. Yet, only 6% (BTW Consultants Inc. 2006) to 31% (Curran, 2008) of nonprofit leaders have received coaching services in the past few years.

Our recent probe into the field raises almost as many questions as it answers. The questions include:

1. Why the discrepancy between interest in, and practice of, coaching?
2. What's the difference between coaching and consulting?
3. What is coaching?
4. When is a nonprofit leader "ready" for coaching?
5. What happens in a coaching session?
6. What is 360° feedback and how does it relate to coaching?
7. What does a nonprofit leader look for in a coach?
8. How can coaching top executives impact a whole organization?
9. How to pay for coaching?

We set about exploring these questions by conducting our own survey, framing coaching within the context of leadership and leadership development. The complete results of the survey can be found at the end of this article. What follows are the answers to the questions based upon a literature review and the survey results.

1. WHY THE DISCREPANCY BETWEEN INTEREST IN, AND PRACTICE OF, COACHING?

Some of the answers to this question are rooted in the history of coaching and the evolution of the nonprofit sector; and some can be explained by lack of information.

(a) History of leadership coaching

Coaching as a business strategy started in the U.S. in the late 1980's and got a push from the formation of training and certification programs such as the online Coach University, founded in 1992. Business and nonprofit consultants sometimes did coaching before that, but usually called it consulting.

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It often lacked the behavioral science and conceptual underpinnings that have become associated with coaching. Today, there is an ever-increasing number of coaching certification programs sponsored by universities and consulting firms, nationally and internationally. However, there is no certification requirement to practice coaching; as a result many former psychotherapists and consultants have entered the field. The 8,500 member International Coach Federation (ICF) is the largest of several professional organizations providing support and ethical guidelines for coaches. While training in coaching is increasingly available, coaching specifically geared for nonprofits is not.

(b) Evolution of nonprofit sector

The nonprofit sector has often utilized and adapted business strategies years or even decades after they become pervasive in the business sector, e.g. strategic planning, marketing, performance management, and so forth. Coaching has been another example of this trickle-down effect, and it is taking its time to become a standard offering among nonprofit leaders.

(c) Lack of information

A national study of coaching (BTW Consultants Inc., 2006) in the nonprofit sector found that more information is needed on:

- How coaching impacts nonprofit leaders and organizations;
- What constitutes coaching and how it differs from other forms of technical assistance, consulting and leadership support;
- Training programs that address the unique nature of nonprofits.

The study found a link between foundation staff receiving coaching and the extent to which those foundations funded coaching for their grantees. Lack of hands-on experience with coaching may lead to lack of understanding or funding for it.

This national study, along with another coaching study in California (CompassPoint, 2003) made strong recommendations for increasing the exploration and practice of coaching in the nonprofit sector.

2. WHAT'S THE DIFFERENCE BETWEEN COACHING AND CONSULTING?

To explore the issue of differences between coaching and consulting, it's a good idea to first explore different types of consulting.

Types of consulting can be described on a continuum with, at one end, the Expertise Model and at the other end, the Process Model. Briefly, in the Expertise Model, the consultant is the expert who is engaged to gather data and present solutions to the client, whereas in the Process Model, the client is fully engaged in finding data, figuring out and applying solutions. There is a continuum of combination styles within this framework.

Specific to the nonprofit sector, Barbara Blumenthal (2001) provides a table in her book, *Investing in Capacity Building*, showing her analysis of what she calls Traditional vs. Developmental Consulting. Her definition of Traditional is similar to the Expertise Model and her definition of Developmental is similar to the Process Model.

> Consulting work is primarily with groups, and addresses whole organizational systems, whereas coaching involves meeting with individuals to focus on their leadership development.

For both consultants and clients, it's important to distinguish between these different styles of consulting in order to meet client expectations successfully. I have had clients who expected a Traditional Consulting approach (i.e. that I would solve their problems for them) while I expected them to engage fully in a growth process (i.e. Developmental Consulting) to solve their own problems with my support. Such a mis-alignment of expectations and styles can cause a misfit in goals, styles and approaches which

is counter-productive. It is essential to clarify the roles of consultant and client at the beginning of a relationship and to signal any changes throughout. Then, maximum value can be achieved.

In my consulting practice, I use the Developmental approach, which I call High Touch Consulting to signal that I expect full engagement of the client. As Blumenthal explains, the Developmental approach tends to result in solutions that the client actually integrates into organizational operations and which are sustained over time.

While coaching is a distinct discipline differentiated from consulting, there is some overlap in values between Process Model consulting and coaching. I tend to use Process Consulting approaches in my coaching, and coaching concepts in my consulting, e.g. "engagement" techniques such as promoting learning and growth, interactive meetings, and focus on the client's responsibilities and ownership of the situation. For me, working with a client often involves a combination of consulting and coaching.

Table 1 shows some of the major differences between Expertise Model consulting and coaching.

The coaching relationship differs from consulting in that coaching focuses on the executive and her or his leadership development, while consulting focuses more on organizational functions and tasks. Grizel Ubarry, a nonprofit coach, describes

Table 1: The Difference between Consultants and Coaches

CONSULTANT	COACH
Even when one person is the main client contact, the consultant usually works with more than one person, often in a team, group, board or department	Works on a one-to-one basis; may coach more than one person in an organization, individually
Structures projects for specific deliverable or result which the consultant is primarily responsible for	Supports the client to achieve her or his own result or outcome
Usually problem-focused, i.e. identifying and trying to correct problems or weaknesses	Builds on client's strengths
Regarded as the "expert" who will solve problems (the magic bullet)	Enables client to solve problems or change things for the better
Consultant brings technical expertise to advise on solutions	Coach brings relationship expertise to support the client's solutions
If behavior change is needed, consultant generally does not get involved in it	A focus on individual and interpersonal dynamics supports behavior change
Gathers data and reports on what needs to be done	Facilitates growth
Time-limited; generally short term and project oriented	Occurs over a period of time which generally involves renewable contracts; generally spread over time
Short-term results	Long-term results (sustainable)
Provides information	Promotes self-discovery
Goals generally related to programs and funding	Values-based goal setting
Requires limited commitment from client to implement	Maximizes client's commitment to implement solutions

her unique function with a coaching client thus:

> I see myself as a partner to the executive. Most executives have too much to do. As a coach, my job is to increase the clarity of focus and goals and to add value in achieving these goals. After a typical meeting, both the executive and I have some assignments to carry out. Our ongoing contact insures that the important things get done— and get done more efficiently. (Adams, 1999, p. 45)

The California study defined the differences this way:

> Coaches provide an ongoing inquiry process for coachees to create their own solutions as opposed to imparting expertise, findings and recommendations. Coaches provide encouragement and accountability for executives to act rather than doing any work for the executives or their organizations themselves. Coaching deepens a leader's self-awareness of their unique strengths and talents as a foundation for improving their management and leadership talents and for reshaping their jobs to fit their skills and talents (Wolfred, et al, 2003, p.2).

Some similarities between consultants and coaches are:

- Both need to have knowledge of nonprofit management issues (e.g. business coaches need to learn about nonprofit management and issues in the sector).
- Both need to be aware of, and share, the values of the nonprofit sector (i.e. social return on investment; loyalty to mission over profit; humanitarian priorities).
- Both will help clients focus on organizational issues and content.

Consulting and coaching are two complementary forms of organizational capacity building.

3. WHAT IS COACHING?

The *Coaching for Change, Coaching and Philanthropy Project* (2008, p. 10) defined coaching this way: "Coaching is a process that supports individuals to make more conscious decisions about their professional and personal lives." Coaching:

- Helps individuals identify and build upon their strengths and internal resources.
- Enters into the gap between where a person is and where that person wants or needs to be.
- Fosters awareness, accountability and action, resulting in improved performance.
- Allows for deeper learning.

"Executive coaches assist the executive in learning about herself, her interpersonal relationships, and styles of learning, leading, managing people, making decisions and managing conflict" (CompassPoint, 2003).

As described by the ICF, professional coaching is an ongoing professional relationship that helps people produce extraordinary results in their lives, careers, businesses or organizations. Through the process of coaching, clients deepen their learning, improve their performance and enhance their quality of life.

There are several different kinds of coaching, such as career coaching, life coaching and leadership or executive coaching. (Leadership and executive coaching are interchangeable terms in this article.) In the course of receiving leadership coaching, a nonprofit leader may bring some career or life-work balance issues into the conversation, as these issues may impact on her or his organizational leadership. However, the main focus of leadership coaching will be the leader's role in her or his organization. When a nonprofit leader is seeking a new job, or wanting coaching on personal issues such as family or budgeting, then other kinds of coaches are needed.

For our purposes, this article focuses on leadership coaching in the nonprofit leader's current job.

An important insight into coaching is provided by Christine Kwak, a program director at the W.K. Kellogg Foundation. "Coaches push people to honesty," she says. "They say things no one in the world will have the courage to say so people get the kind of reflection they can't get anywhere else in their life" (Hoye, 2007).

> Coaching is an ongoing professional relationship that helps people produce extraordinary results in their lives, careers, businesses or organizations.

4. WHEN IS A NONPROFIT LEADER READY FOR COACHING?

Here is a Readiness Checklist which highlights some of the main issues in deciding whether to work with a coach. A nonprofit leader may be ready to participate in coaching with good results when she or he can check off the majority of these criteria:

- Believes that coaching can help.
- Expresses what is really going on (confidentially), i.e. not withholding.
- Commits to it (even if assigned by someone above).
- Embraces the idea of self-improvement.
- Manages the time for it.
- Comfortable with the cost.
- Willing to learn.
- Has rapport with the coach.

On the other hand, coaching will not work "if the individual isn't interested, doesn't want to participate, doesn't take it seriously, or isn't interested in doing anything differently," according to Mallary Tytel, a leadership coach to nonprofits in South Dakota (Adams, 1999).

5. WHAT HAPPENS IN A COACHING SESSION?

According to the ICF,

> Coaches are trained to listen, to observe and to customize their approach to individual client needs. They seek to elicit solutions and strategies from the client; they believe the client is naturally creative and resourceful. The coach's job is to provide support to enhance the skills, resources and creativity that the client already has.
>
> In each session, the client chooses the focus of conversation, while the coach listens and contributes observations and questions. This interaction creates clarity and moves the client into action. Coaching accelerates the client's progress by providing greater focus and awareness of choices. Coaching concentrates on where clients are now and what they are willing to do to get where they want to be in the future. Results are a matter of the client's intentions, choices and actions, supported by the coach's efforts and application of the coaching process. (BTW Consultants Inc., 2006, p.6)

In my coaching, I have used the general meeting outline propounded in Choice Theory (CT). CT is a behavioral approach to problem solving that is based on neuroscience – the ways in which our brains work. Its essence is to enable the client to assume ever-increasing responsibility for her or his actions. CT is widely practiced in coaching, staff development and classroom teaching, as well as applied to traditional therapeutic situations.

Briefly, CT provides a method for supporting people to make better choices and change their behaviors to get better results for their work and their lives. The five "steps" of CT in each meeting involve:

1. Engaging with the client;
2. In-depth inquiry into the current circumstances;
3. Evaluating whether current choices are helping;
4. Making a choice to change; and
5. Supporting the client to make an incremental plan to change some aspect of her or his work behavior.

At the subsequent meeting, the outcome of the plan is evaluated and a new plan is developed following the same steps. Accountability to one's self is built in, because there are consequences of the client's choices, but no punishment. The process promotes a focus on incremental progress, self-determination and taking personal responsibility for one's actions.

Since 1998, I have been adding the methods of Appreciative Inquiry (AI) to these steps. AI offers a supportive interview method summarized by Sue Innis (1995). In my experience, the most powerful way of engaging people in their own development is to ask positive questions that encourage them to recall successful experiences relating to the issue they want to improve. For example, if the client wants to improve her or his team leadership ability, I can ask questions like,

> Reflecting back on your entire career think about the most memorable team experience you have ever had… a high-point when you felt really effective, energized, and proud…Tell me the story….about the time when you were part of a really great team. What made the team a success? What was it about *you* that helped make it great? What did you learn that can help you be a great team leader now? (Whitney, et al., 2002, p. vii)

These AI type questions provide an excellent platform for Step 1 of CT (Engaging with the client) and form a bridge to Step 2 (Examining the present circumstances in depth). The positive AI questions lay a solid groundwork under the coaching session, one which puts the client in a confident frame of mind, able to envision success.

The CT steps (with AI incorporated) provide a framework for each meeting with a client. Initially, the steps are not directly acknowledged. As time goes on, the client grows more aware of the steps so that she or he, in turn can use them in her or his own planning process and can apply it to her or his supervisory role with others.

It is apparent to most of us that a directive approach (i.e. ordering someone to change) rarely works. The CT coaching method provides a supportive platform for clients to come to their own realization of the need for change, and to feel supported enough to attempt it. This is a method that enables clients to find their own paths in ways that benefit themselves and their organizations.

> The Choice Theory coaching method provides a supportive platform for clients to come to their own realization of the need for change, and to feel supported enough to attempt it.

Some coaching may not involve meetings at all, or may supplement meetings with other activities such as assessments.

> While many coaches use a reflection process, they also use various approaches when working with a client. For example, they may use instrumental coaching, which involves assessment tools (such as 360° feedback, the Myers-Briggs Type Indicator, etc.). They may also utilize observational coaching, which involves observing the client in action (at a meeting, giving a presentation, etc.). These approaches can be very useful depending upon the goals of the client. (Perry, 2006 online)

6. WHAT IS 360° FEEDBACK AND HOW DOES IT RELATE TO COACHING?

At the outset of any coaching relationship, some sort of an assessment is usually done. Most coaches use an assessment instrument that they have created or one that they have adapted from their coaching training. For three decades, I have used and updated the Management Analysis Checklist (MAC), a one-page, 40-item list I created that enables the client to identify strengths and areas to be improved. The MAC was used by 100 consultants nationally in National Endowment for the

Arts' Comprehensive Technical Assistance (CTA) program 1976-79. Each item on the list represents a leadership competency that the client self-evaluates in conversation with me. These leadership competencies link to organizational functions and systems, giving a comprehensive overview of the leader's work environment.

One of the most useful assessment instruments developed in the human resources field in general and coaching in particular is called 360° feedback. Originating in the 1940's, this assessment method came into widespread use in the business world about 10 years ago when online tools were developed. Doing the assessment online enables the exercise to be conducted anonymously, thus protecting responders from any repercussions.

The reference to 360° is meant to imply the circle of colleagues surrounding any given manager. To conduct the exercise, a coach will create a group of questions relating to the client's leadership, and the client will invite about 8 to 10 colleagues to answer the questions. The colleagues will represent those above, below and beside the client: e.g. the client's manager or board officer(s), some staff people who report to the client, and some of the client's peers in her or his field. Responses are combined into general trends so that no specific individual is identifiable.

Here are some benefits to 360° feedback. Nonprofit leaders:

- Realize that they too have development needs.
- Get more reliable feedback about their performance.
- Identify key development areas for themselves, their department and their organization.
- Learn how they personally effect others — positively and negatively.
- Learn how to improve organizational climate and morale.
- Identify gaps in one's self-perception versus the perception of others.
- Engage in a climate of continuous improvement.

Avolio/Bass (1994) developed a 360° feedback instrument that rates leaders' leadership styles as defined in their Full Range Leadership Model. It is designed so that a coach can administer the instrument for the client, input the data, and interpret the resulting report with the client. The report shows the client's predominant leadership styles. Coach and client then create a leadership development plan to guide the client to the next stage.

7. WHAT DOES A NONPROFIT LEADER LOOK FOR IN A COACH?

Christine Kwak, program director for philanthropy and volunteerism, W.K. Kellogg Foundation, who has received training as an executive coach, says that certification has become an important criterion for hiring a coach, as the opportunities for certification have increased. She says,

> But, what matters to me more than certification is the training and depth/breadth of the experience of the coach. How long have they been coaching? Where have they spent their work life? Are they familiar with the area in which the client is working (e.g. nonprofit sector)? The combination of the coach's experience, training, who they are as a person and finally the 'fit' between the coach and client are also very key to a good match between client and coach. (Perry, 2006, online)

An overview of coach certification programs, core competencies and ethical considerations are available on the IFC website, http://www.coachfederation.org. Executives can review them and use them to formulate interview questions prior to hiring a coach. As Ms. Kwak advises, pay attention to the important issue of compatibility. Reviewing several candidates helps ensure affinity which impacts on a successful outcome. Referrals to

qualified coaches may be obtained from nonprofit management assistance agencies such as The Support Center for Nonprofit Management, publisher of this journal.

8. HOW CAN COACHING ONE PERSON OR A FEW TOP EXECUTIVES IMPACT A WHOLE ORGANIZATION?

A study of 24 executive directors (EDs) in California (CompassPoint, 2003) who received coaching for a year showed significant organizational improvements in their organizations, as follows:

- Areas related to organizational mission and vision;
- Clarity of decision-making processes and roles and responsibilities of staff;
- Organization's fundraising capacity and financial stability;
- Organizational effectiveness including communication and teamwork.

More specifically,

> On their surveys, EDs reported significant improvement in the clarity of their vision for the organization, as well as staff and Board alignment with the mission. Further, they reported significant improvements in organizational processes and structure, such as in decision making and in setting policies and procedures. According to interviews, coaching also had an impact on how some EDs dealt with financial instability at their organizations. For example, one organization was able to make payroll and another avoided closing down as a result of EDs' improved skills and increased confidence in the area of fundraising. Overall, many EDs interviewed reported that their organizations "work better" since coaching began. One ED believed that improvement in their programs resulted from the strategic planning process that her coach helped her with. (CompassPoint, 2003)

These organizational improvements were cited in addition to improvements in other areas such as leadership and management, job satisfaction, tenure and turnover.

9. HOW TO PAY FOR COACHING?

Coaches generally charge clients in one of two ways: per hour, often with a minimum 3-month contract with weekly meetings (New York Midtown Coaching Center); or on a monthly retainer (Adams, 1999). Fees among my colleagues for nonprofit coaching are generally in the $100 to $350 per hour range, while retainers range from $350 to $1,500 per month.

Of those few nonprofit leaders in my study who had had coaching (5 out of 17 respondents), only one of the coachees' organizational budgets covered the expense, and in one other case, a funder paid. Two paid for coaching themselves and one received coaching pro bono. This pattern, and answers to other questions relating to organizational support, demonstrated rather lukewarm organizational support for coaching and other kinds of leadership development. Perhaps educating boards as to the value and impact of coaching and leadership development is indicated.

Foundations express more interest in coaching than their current level of funding: 71% were interested compared with 42% actually funding coaching (BTW Consultants Inc., 2006). This gap can be viewed as a potential growth opportunity among foundations to support coaching.

Michelle Gislason, project director for leadership services at CompassPoint Nonprofit Services, advises,

> More and more funders are providing funding for leadership development, consulting services and/or coaching. Some will even provide small, restricted professional development or capacity-building grants.

> The first place to start is with your current funders. Ask if they would invite a proposal for a leadership development or capacity-building grant. You can also research funders in your area through organizations like The Foundation Center. If you want to make a case for funding something like coaching, it's a good idea to provide some research on return on investment in your proposal. You can access CompassPoint's study on our website at www.compasspoint.org and also download the Coaching & Philanthropy overview, which shows that other funders are supporting coaching.
>
> Additionally, many funders are starting to see the value in core operating support. This type of support allows you to invest in the infrastructure and leadership of your organization. I always encourage people to ask their funders if they would consider this. (Perry, 2006 online)

This point, that funders need to be more invested in capacity building, leadership development and coaching was highlighted at the January, 2008 conference, CORE TO THE MISSION, sponsored by the UJA-Federation in New York City. Connie Crosson, who coordinated the conference of more than 125 funders, commented, "Funders are starting to pressure one another to fund capacity building and core support, but the groundswell will only happen when a majority of nonprofits clamor for it." The issue at stake is more effective and sustainable nonprofit organizations.

CONCLUSION

Studies of leadership and coaching mentioned in this article are a hopeful sign that greater use of coaching is on the horizon. Given the positive results found so far, it is likely that leadership development in general and coaching as a means to strengthen leaders will continue to grow. As Hoye says:

> Popular in the corporate world, executive coaching is now attracting interest among charity leaders and grant makers. At a time when growing numbers of nonprofit leaders are leaving their organizations, many of them frustrated with the pressures of fund raising and other aspects of running charities, grant makers hope that coaching will keep such executives from burning out and quitting. (Hoye, 2007) ■

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Appendix Survey Results:
Carolyn J. Curran Leadership Coaching Survey 2008 Results

Notes:

- Questions were all multiple choice with comments invited.
- Response rate was 21% (80 executives contacted, 17 responded).
- Interestingly, the organization profile of respondents seems to fit the national average organization size in the United States where 80% of the 1.4M nonprofits are under $2M budget (Independent Sector).
- I designed the questions in section *(d) What is Your Leadership Style?* based on Robert E. Quinn's Competing Values Framework (1996) (e.g. Clan, Hierarchy, Adhocracy, Market cultures) and found that many of the responses and comments also fit into the Full Range Leadership Model (Avolio/Bass, 1994) (e.g. Laissez-faire, Management by Exception, Transactional, Transformational leaders).

(a) Respondent Profile

- Number responded: 17
- Top staff, 63%; Department heads, 37%
- Academic training: 50%
- Years in field: 20+ = 60%; 10 to 19 years = 37.5%
- Years in job: 11+ = 24%; 5 to 10 years = 30%; -5 years = 46%

(b) Organization Profile

- # of staff: 1 to 16 = 60%; 10 to 75 = 20%; Over 200 = 20%
- Year organization started: 1970-89 = 62%; Before 1970 = 12%; After 1990 = 24%

(c) What Gives You Passion About Your Work?

- Top 3: I feel I make a difference; Lots of variety; Gives my life meaning
- Bottom 3: Job security; Recognition; Enjoy problem solving

(d) What is Your Leadership Style?

- Most reflective: Good role model; Recognize accomplishments; Help people improve; Bring in new ideas; Treat each person as unique; Inspire people

Comment: "My style is to lead by listening, collaborating, modeling, and empowering – earning the trust and respect of colleagues and partners as I demonstrate the same. My role as a leader is to help unleash potential, provide guidance on direction and parameters as necessary, and then to provide support as others take ownership and move ahead."

- Least reflective: Offer rewards; Pep talks; Comment when wrong

Comment: "I expect people to do the minimum and then some! I don't like baby-sitting people."

(e) What Forms of Leadership Development Do You Engage In?

- Most used (2/3 or more): Read related books; Subscribe to publications; Attend conferences; Management training; External workshops
- Least used (fewer than 1/3): Mentoring; Staff development; College classes; Organization retreats
- Coaching: 31% of respondents have used coaching for their leadership development - higher than other studies showing that 10% or fewer nonprofit staff leaders have engaged with coaches

Comment: "Informal colleague mentors listened and helped me to problem solve – they had either experienced what I was going through or had insights that I might have missed – very supportive. Personal counseling with a therapist about how to resolve job situations was also critically important to me."

(f) What Organizational Support for Leadership Development?

- Frequent: Learning is encouraged (35%); Refer opportunities to me (18%)
- Occasional or Never: Refer opportunities to me (80%); Time off (86%); Budget for it (93%)

Comment: "I generally propose getting training. Board has approved some related expenses but was not very enthusiastic. Board has begun to see the value of the

training I have received and is being more supportive as of late."

(g) Coaching on This Job

- 5 respondents said Yes – these are their experiences in the next 5 questions
- Conditions, most: Specific contract (60%); I initiated it (60%); Paid by our budget (40%); Met regularly (40%); Duration for more than 6 months (40%); Frequency between once a week to once a month (40%)
- Conditions, least: (1 person each): Pro bono; I paid; Funder paid; Ad hoc schedule; Monthly; Less than 3 months

Comment: "Personal counseling has provided the coaching that I need on a bi-weekly basis. I can't imagine that my Board would be progressive enough to approve a coach. Any training they approve is very focused on learning a new skill – not on general development."

(h) Coaching Goals

- Most: Get better perspective; Improve leadership skills; Advice on staff; Organization structure; Help with how to let staff go; Improve supervision; Budget & funding
- Least: Reduce overwhelm; Receive support; Reduce conflict; Be more proactive; Improve board relations; Overcome burnout

Comment: "Implementation of fund raising plan to match new strategic plan."

(i) Impact of Coaching Relating to Pre-Set Goals

- Most Improved: Reduce overwhelm; Get better perspective; Receive support; Improve supervision; Improve leadership skills; Overcome burnout; Advice on staff; Improve board relations; Let staff go; Reduce crises
- Least improved: Better perspective; Leadership skills; Budget and funding; Reduce overwhelm; Distance from everyday pressure

Comment: "My coach/consultant helped me figure out that I was part of the problem when I had trouble seeing that. I am a perfectionist and that was contributing to the staff problems I was having with both the person I supervised and our director who supervises me."

(j) Other Unexpected Improvements

- Reduced procrastination; Took action; Increased confidence; More assertive; Worked better in teams; Perceived as more of a leader; More of a partner (above and below)

(k) What Made Coaching Useful?

- 100% respondents: Coach asked engaging and pertinent questions; Thoughtful feedback; Insight; Careful listening; Support
- 60% respondents: Empathy; New opportunities to change my behavior; Chance to step back from my busy day

Comment: "Coach really provided support that I wasn't getting in my supervision at work."

(l) Is Coaching in Your Future?

Note: All 17 respondents answered this question and the remaining questions

- Conditions I would consider: Improve leadership skills 81%; Improve management skills 62%
- 37% checked all of these: Solve a crisis; Reduce overwhelm; Improve staff management; Establish specific goals; Organization pays; Pay myself

Comment: "If I needed the help I would pay for it only as a career investment. If my organization would not pay for help I needed (within reason), I would take that as a signal that my career development was not a priority for that organization."

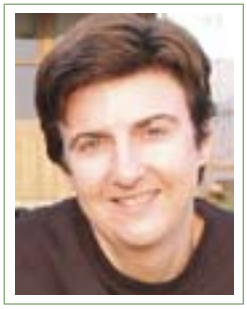
Comment: "Would be willing to pay myself if costs weren't exorbitant."

Comment: "I would explore these opportunities as an employee (where I work) but not in my capacity as a Board member of my non-profit organization."

(m) Other leadership development in your future?

- In addition to coaching, 50% and above: Conferences; Attend workshops; Books; E-Newsletters
- In addition to coaching, fewer than 40%: Mentoring; Organizational retreat; College classes; Staff development

About the Authors



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