Daring to Lead 2011

BRIEF 2

Inside the Executive Director Job

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D*aring to Lead 2011* found that executive directors report very high levels of job satisfaction and leadership efficacy. Ninety-one percent (91%) reported that they are very happy in their jobs or have more good days than bad. The vast majority believe they are effective in all areas of leadership—inside and outside their organizations. To learn more about the reasons contributing to these feelings, the study asked executives how they spend their time, how they work with staff, how they feel about the core aspects of their role, and what strategies they find most effective for personal development and support. This brief provides a window into the executive's job to better understand the underpinnings of satisfaction ratings and learn more about an executive's day-to-day work.

KEY FINDINGS

Working externally with partners and collaborators is the most energizing aspect of the executive role; human resources is the most depleting.

Executives struggle to spend the right amount of time on core job functions, especially activities focused on resource development and sustainability.

If an organization receives a majority of its revenue from government contracts, the executive is significantly more likely to be engaged in policy and advocacy activities.

Shared leadership is a common practice among executives, yet it is often challenging to operationalize personal leadership practices into organizational systems.

Executives identify coaching, peer networks, and leadership development programs as the top three most effective strategies for leadership development and support.
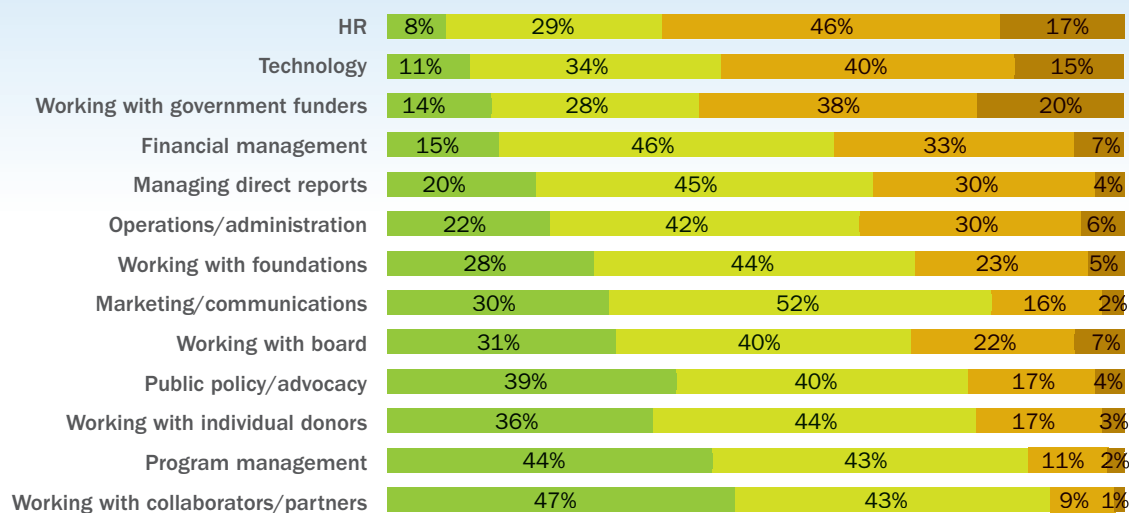
To better understand the dimensions of job satisfaction, the survey asked executives the degree to which core job functions energized or depleted them.[1]

Executives reported being energized by programmatic work, as well as work that engages them externally in partnerships and collaboration, in marketing and communications, and in policy and advocacy. Internal operational aspects of their roles were more likely to be depleting, especially human resources and technology. When asked how energized or depleted they were by their work with three kinds of funders—individual donors, foundations, and government agencies—leaders were dramatically more likely to be depleted by their work with government funders. Fifty-eight percent (58%) of executives reported government funding relationships as somewhat depleting or depleting compared with 28% and 20% for foundations and individual donors respectively.

"I really like the recognition of being an executive director and having lots of opportunities to do public speaking and being the face of the organization and speaking before my board. I feel like it's an opportunity to recognize my intelligence and my leadership abilities."

1 For the purposes of this study, energizing job functions were defined as things that satisfy or rejuvenate executives and depleting job functions were defined as things that frustrate or burn out executives.

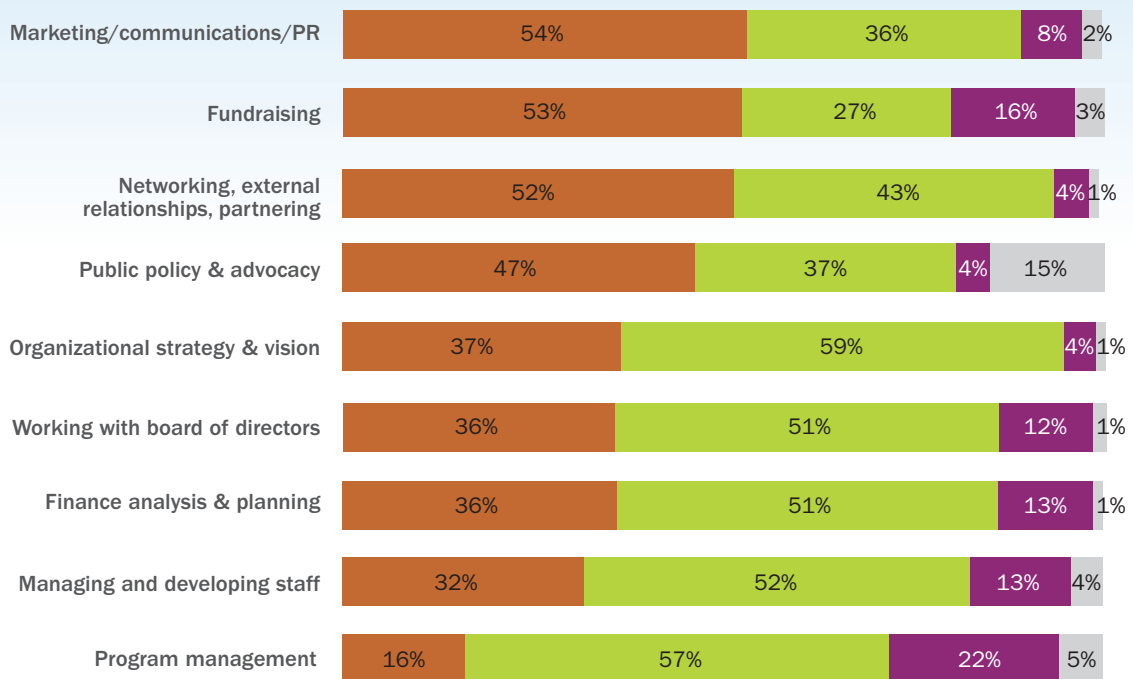## Aspects of Job: Energizing and Depleting

	Energizing	Somewhat Energizing	Somewhat Depleting	Depleting
HR	8%	29%	46%	17%
Technology	11%	34%	40%	15%
Working with government funders	14%	28%	38%	20%
Financial management	15%	46%	33%	7%
Managing direct reports	20%	45%	30%	4%
Operations/administration	22%	42%	30%	6%
Working with foundations	28%	44%	23%	5%
Marketing/communications	30%	52%	16%	2%
Working with board	31%	40%	22%	7%
Public policy/advocacy	39%	40%	17%	4%
Working with individual donors	36%	44%	17%	3%
Program management	44%	43%	11%	2%
Working with collaborators/partners	47%	43%	9%	1%

> *"The one thing I dislike about my job the most is challenging personnel issues. They can really be some of the most draining things that an executive director faces."*

While executives tend to be more energized by outwardly focused job functions, they also reported struggling to spend enough time on them. The three areas where executive directors were most likely to report not spending enough time are communications and public relations (54%), fundraising (53%), and networking and partnership (52%). Considering that resource development is, in part, dependent on executives' ability to engage consistently in exactly these activities, their challenges in directing sufficient time here have important implications for organizational sustainability.

Given the severity of fiscal challenges across much of the public sector—and the resulting funding cuts and threats to many nonprofit services—we were particularly interested in the degree to which executives are engaged in policy and advocacy. A large majority—85%—do in fact spend some time on policy and advocacy related activities. Of those, 47% believe

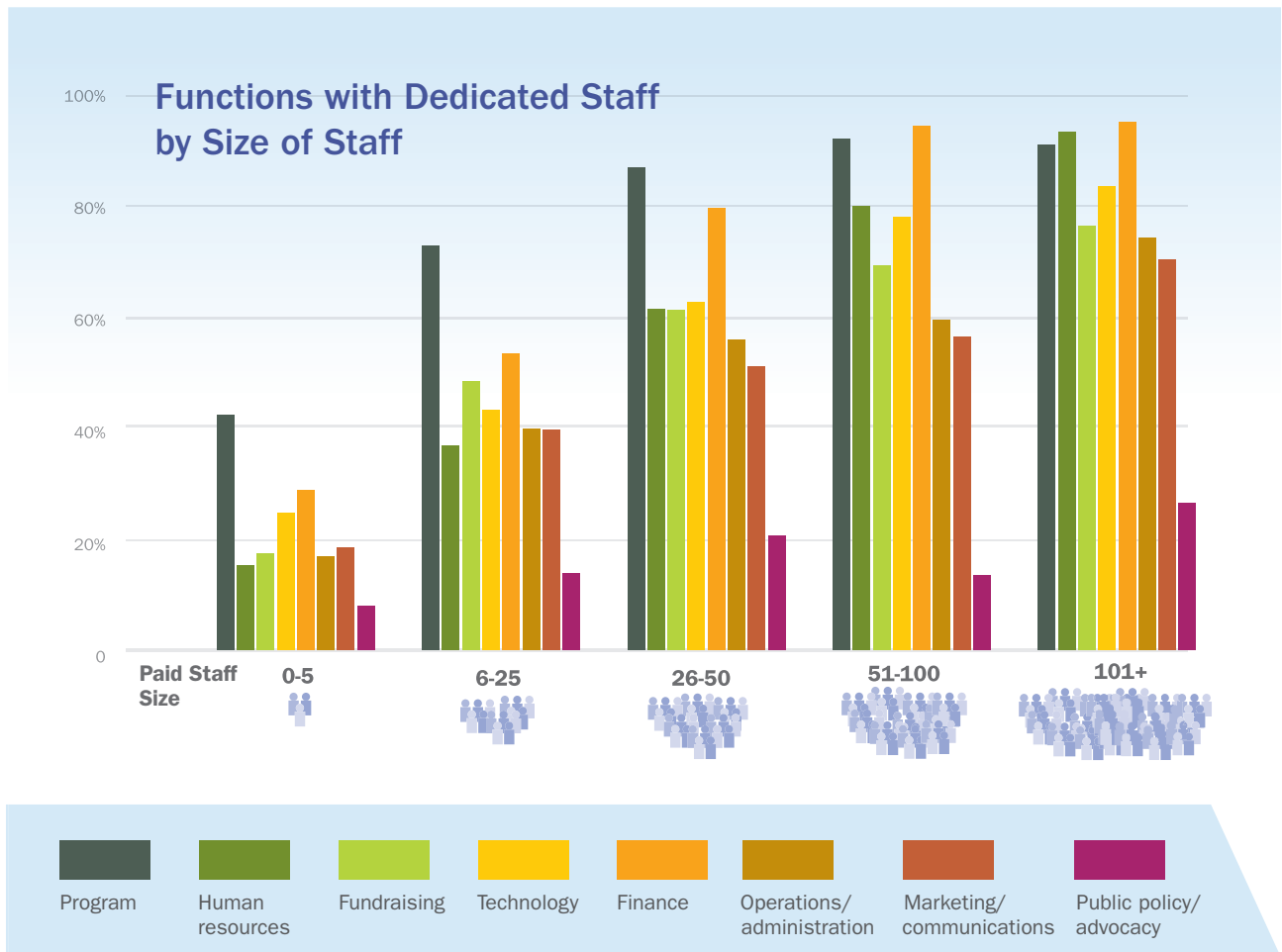## Executive's Feelings about Amount of Time Spent on Job Functions

Job Function	Not Enough	Just Right	Too Much	None/No Need
Marketing/communications/PR	54%	36%	8%	2%
Fundraising	53%	27%	16%	3%
Networking, external relationships, partnering	52%	43%	4%	1%
Public policy & advocacy	47%	37%	4%	15%
Organizational strategy & vision	37%	59%	4%	1%
Working with board of directors	36%	51%	12%	1%
Finance analysis & planning	36%	51%	13%	1%
Managing and developing staff	32%	52%	13%	4%
Program management	16%	57%	22%	5%

Not Enough   Just Right   Too Much   None/No Need

they do not spend enough time in this area. Regardless of the mission type of an organization, if it receives a majority of its revenue from government contracts, the executive was significantly more likely to be engaged in policy activities. Four percent (4%) of executives leading majority government funded organizations said they did not need to spend time on policy and advocacy, compared with 18% leading non-majority government funded organizations.

How executives spend their time is significantly influenced by whether their organizations are large enough to have dedicated management staff across core functions. For instance, many nonprofits with staff sizes under 25 people are large enough to have multiple programs and diverse revenue streams—leading to potential complexity in finance, human resources, and fundraising—but unable to afford senior positions in all of these arenas. In organizations of 6-25 staff members, there were only two functions for which a majority of executives reported having a senior manager other than themselves with primary responsibility, program (73%) and finance (53%).

Functions with Dedicated Staff by Size of Staff

Legend: Program | Human resources | Fundraising | Technology | Finance | Operations/administration | Marketing/communications | Public policy/advocacy

"I need to be working with other people that identify themselves as leaders—whether it's board or staff or volunteers. You can be a leader in any of those positions. And so those are important people for me to be around. And I need time to think and be creative and feed myself."

Beyond the composition of executive jobs, the research also explored executives' views on their own leadership style and practice. A large majority of executives lead their organizations with a style that could be characterized as *shared leadership*, meaning an approach that is inclusive, collaborative, and shares leadership responsibilities with others throughout the organization. Fifty-seven percent (57%) said shared leadership very much describes their style, while 34% reported that it somewhat describes their style. Eighty-one percent (81%) of executives thought that the majority of their staff would describe them as practicing shared leadership as well. Executives also expressed confidence in the decision-making capabilities of their staffs, with 81% reporting at least one person on staff that they trusted to make important organizational decisions without consultation from them first.

Increasingly, succession planning frameworks include attention to building bench strength—the intentional development of leaders so that they may be prepared for executive leadership at their current organization or elsewhere in the sector. These data suggest that the shared leadership practices reported by many executives don't necessarily result in such organization-wide leadership development systems. Thirty-six percent (36%) of leaders said there would not be a credible staff candidate for the executive position should they leave today. While many organizations are too small to develop a deep bench, these data suggest a significant minority of large organizations have not done so either. Among executives with staffs larger than 100 people, 27% reported no credible candidate for their job on staff. The fact that 32% of leaders reported not spending enough time managing and developing staff no doubt contributes to the problem. Consistent face-to-face time with an executive is invaluable leadership development, providing insight for staff into how executives prioritize issues, process information, and arrive at decisions. Without visibility into the executive job, it is difficult for even high potential leaders to prepare to step into the executive role.
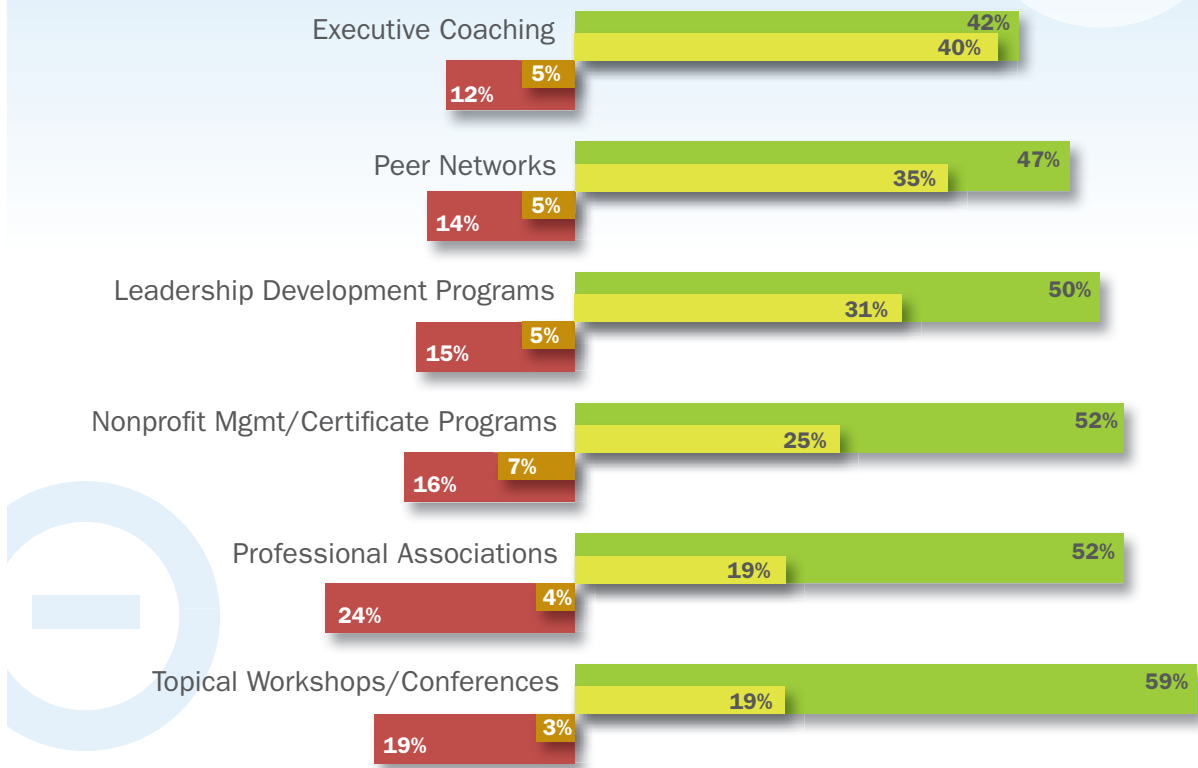
With respect to their own development as leaders, executives reported employing a range of strategies to keep learning and access support. Of all professional development strategies utilized, executives were most likely to rate executive coaching, peer networks, and leadership programs as very effective. All three of these strategies include non-didactic elements—an opportunity for skilled executives to grapple with the universal challenges of their roles and reflect on their own leadership practices in a safe environment. Engagement with peers—whether formally constituted or informally convened—was frequently mentioned as an effective way to mitigate feelings of isolation and to develop personal leadership skills.

For newer executives who are learning the ins-and-outs of the job, access to peers appears to be especially important: *"I came in as ED and didn't know: How do you*

> "I have a small little support group of EDs, not necessarily in my field, where we have confidential communications about some of the challenges that are unique to EDs—working with the board, dealing with problematic staff and funding."

do a fundraising event? How do you do an annual budget? How do you do 75 other things that lots of people know how to do and have templates for? I've very successfully learned to go ask other people what I can borrow. I think that's been really great. Mentoring each other and supporting each other as EDs has been a great resource to me and a key way that I've gotten support." This was echoed by another new executive who was being mentored by a more experienced peer. She said, "I think mentorship is probably the single most thing that helped me to feel effective because I feel like it wasn't the finance or the fund

Effectiveness Ratings of Professional Development Activities Utilized

Executive Coaching
- 42% Effective
- 40% Very Effective
- 5% Very Ineffective
- 12% Somewhat Ineffective

Peer Networks
- 47% Effective
- 35% Very Effective
- 5% Very Ineffective
- 14% Somewhat Ineffective

Leadership Development Programs
- 50% Effective
- 31% Very Effective
- 5% Very Ineffective
- 15% Somewhat Ineffective

Nonprofit Mgmt/Certificate Programs
- 52% Effective
- 25% Very Effective
- 7% Very Ineffective
- 16% Somewhat Ineffective

Professional Associations
- 52% Effective
- 19% Very Effective
- 4% Very Ineffective
- 24% Somewhat Ineffective

Topical Workshops/Conferences
- 59% Effective
- 19% Very Effective
- 3% Very Ineffective
- 19% Somewhat Ineffective

Legend:
- Very Ineffective
- Somewhat Ineffective
- Effective
- Very Effective

"It's just that we're so under-resourced that I'd much rather spread professional development around. And if there are free opportunities for me, whether it's a community event or something like that, I'm much more likely to view that as my professional development."

development stuff but more the intangible dynamics… the insight of someone who had been an ED before, they could help me to really understand and see it." In fact, 13% of executives reported that they are in an explicit mentoring relationship (as the mentor) with another executive director.

Affordability was a barrier to accessing professional development for some executives, and many saw providing for other staff as a higher priority than taking care of their own needs. Though certain funders around the country have invested in executive leadership development specifically, the majority of leaders nationally have not received such support. Eighteen percent (18%) of executives reported receiving philanthropic support for their personal development within the past three years.

Calls to **Action**

1

Influence Legislation:
Engage in Policy and Advocacy

With the recession and subsequent cuts to nonprofit service providers, the absence of a collective nonprofit voice in national debate and the dearth of efforts to influence legislation are troubling. State nonprofit associations have mounted campaigns to enlist their members in such efforts and numerous reports make the case that nonprofits need to think about advocacy more broadly and connect it to the needs of their clients and their mission objectives.

- Executives can optimize the influence that their title affords them and leverage organizational resources to have a greater impact in their communities.

- Leaders should consider developing organizational strategies that incorporate activities aimed at influencing legislation, including the engagement of staff, board and clients to ensure that their voices are heard locally and across the country.

- Dedicate resources to coordinate and manage these efforts.

2

Systematize Leadership Development

It is in the best interests of executives, staff, and their organizations to put systems and structures in place to operationalize shared leadership and systematically develop staff.

- Leadership development is essential for an organization's long-term sustainability. To ensure that it is resourced, nonprofit leaders should include and protect those funds in the budget.

- Professional development plans should be integrated into all performance reviews—at every level—and adequate resources to pay for continuous skills and knowledge development should be prioritized during budgeting.

- Boards need to hold their executives accountable for good supervision and intentional development.

- Thirty-one percent (31%) of executives report that they are mentoring someone on their staff; more leaders might consider this strategy as an effective way to nurture emerging leaders.

- Develop succession plans for the executive director as well as other key leadership positions in the organization.

- Funders frequently pay for grantees' leadership development, but it is often limited to the executive. By investing in the leadership development of all staff, a funder is investing in the capacity of an entire organization. Paying for the development of an emergency succession planning process is one effective strategy to support this effort.

3

Develop a Professional Development Plan Focused on Technical Skills and Personal Support

The past 10 years in the nonprofit sector has seen a tremendous amount of attention given to the skills-building and leadership development needs of executive directors. This study now has data to better understand which professional development resources utilized by executives are the most effective.

● Funders who are not already investing in the development of their executive grantees through core operating support or capacity building grants should consider making this a regular part of their grantmaking strategy. Providing funds for coaching, workshops and conferences, and registration fees for leadership development programs are simple and cost effective ways to increase the impact of a grant investment.

● Every leader should have an articulated development plan that distinguishes between technical skills-building, knowledge development, and personal leadership development and support.

● For very individualized support, executives might consider joining an existing peer network or forming their own group, mentorship, or coaching—strategies that are low-cost and can often be done over the phone or in person.

● Those with sufficient financial resources might explore leadership development programs designed specifically for nonprofit executive directors.

***Daring to Lead 2011* has multiple components:**

- *Daring to Lead 2011: A National Study of Nonprofit Executive Leadership*
- Three topical briefs: *Leading Through a Recession, Inside the Executive Director Job,* and *The Board Paradox*
- The interactive *Daring to Lead* website (daringtolead.org), where you will find report downloads, additional data and findings, downloadable charts and graphs, community comments, research methodology, and information about the project team and regional partners.

Please visit daringtolead.org frequently to hear what sector leaders are saying about the findings and to engage in the ongoing dialogue about their implications for nonprofit executives and boards, philanthropy, and capacity builders.

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