



The Three Roles of Nonprofit Management

It's vital that you know which roles to play — and when to play them.

By William B. Werther, Jr., Evan Berman, & Karen Echols

Executive directors and their management team must move among three, overlapping roles — serving as leaders, managers, and administrators. Although these terms are often used interchangeably, here their specific meanings go beyond semantics. Instead, these three terms form a framework for thinking about the roles facing those in the third sector who seek to “get things done through others.”

Each of the three roles offers a mindset that suggests a different priority. Success comes from knowing which perspective to apply when.

Leaders. The board chair and executive director are the source of leadership. They create (or at least facilitate) the organization's vision, which is a statement of what the organization seeks to become. The vision captures the essence of the nonprofit's purpose. It may not be fully attainable, but it gives the organization direction and inspiration.¹ As an example, “End hunger” might serve as a vision statement for a food bank.

Creation of the vision often begins with the founder, who uses it to rally support. Subsequent leaders must ensure a consensus among key constituents about the continuing appropriateness of the vision.

Done well, vision energizes and organizes those committed to the nonprofit. Without it, they may lack a unifying approach.

Moreover, the vision gives meaning to the nonprofit's mission. While a vision (“end hunger”) may be noble and inspiring, it may be too broad to provide direction. Here, leaders need to provide a mission that clarifies how the vision will be attained. For example, the vision might be translated into a mission (“to feed the needy through a 24-hour soup kitchen”) that describes how activities are executed.²

Though it may occupy only a small amount of time, the leadership role is central to the organization's success. Failure to exercise leadership may cause the nonprofit to lack focus, and drift.

Managers. The managerial role involves making decisions to reach the organization's goals. Managers use financial, human, and other resources to achieve the mission and move the organization toward its vision.

Managers must maintain a pro-active stance, focused on the vision and mission. When the managerial role is largely reactive, the result is organizational drift. Opportunism replaces plans; efforts become diffused.

Administrators. Leaders and managers must play a third role — that of administrator. This role balances the often-conflicting needs of constituents.

Typically, clients seek more services; employees want higher

salaries and more benefits; donors, board members, and volunteers seek recognition. But limited resources result in tradeoffs. The administrator must allocate resources in a way that satisfies these varied constituents. Otherwise, the result is conflict, which drains time and resources from the organization.

Role Ambiguity. Paradoxically, role complexity often arises from attempts to simplify the management team's task. The search for the "right role" is analogous to the search for the "one best way." It assumes there's a set of behaviors that can achieve success. But nonprofit success calls for the flexibility to move from role to role according to the challenges faced.

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Ambiguity arises when members of the management team are uncertain about which role to play. A nonprofit manager whose success was built on making decisions to achieve goals may apply the same behaviors when promoted to executive director. Those promoted from managerial or technical positions — where making and executing decisions was the measure of success — must take special care not to fall into this management trap.

This trap is insidious because the managerial perspective works well most of the time. Executive directors and other members of the management team spend the bulk of their efforts in managerial pursuits, which can cause this perspective to become a habit. When confronted by role uncertainty, people are likely to revert to past behaviors that proved successful. But if an executive director stays stuck in the managerial role, the

needed leadership vision will be lacking. Perhaps more noticeably, the executive director may fail to assume the administrative role when needed to balance constituents' conflicting demands.

Similarly, an over-reliance on the role of leader or administrator has its shortfalls. The leader's focus on the organization's vision and mission is, ultimately, meaningless without execution. Likewise, an over-reliance on the administrative role can lead to a paralysis of balancing conflicting claims on limited resources. At some point, managerial decisions are needed, lest the organization fail to move in any direction.

Hard work, diligence, and good intentions are unlikely to overcome the wrong choice of roles. Role ambiguity results because past role patterns that brought success now fail.

Even if you possess the skills needed to be a leader, manager, and administrator, success also demands that you move smoothly among these roles. The ability to play the right role at the right time is, perhaps, the most important skill you can master. ■

Footnotes

¹See *Competing for the Future* by Gary Hamel & C.K. Prahalad, Boston: Harvard Business School Press, and "Seeing the Future First" by Gary Hamel & C.K. Prahalad, *Fortune*, September 5, 1994. Also see "Leading the Transformation of Boards" by William B. Werther & Evan M. Berman, *Nonprofit World*, Vol. 22, No. 2, available free on-line at www.snpo.org/members.

²See "Sharing the Vision: Every Leader's Obligation," *Nonprofit World*, Vol. 8, No. 5, and "Demystifying the Mission Statement," *Nonprofit World*, Vol. 12, No. 1, available on CD-ROM at <http://www.snpo.org/resources/product-catalog.php>.

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How Well Are You Balancing Your Three Roles?

Role 1: LEADER

Responsibility: Create an inspiring vision.

Problem If You Ignore This Role: The organization will lose its focus.

Problem If You Rely Too Much on This Role: You won't move toward your goals, and you'll never realize your vision.

Role 2: MANAGER

Responsibility: Make decisions that marshal available resources to achieve the nonprofit's goals.

Problem If You Ignore This Role: The organization will be unable to move in any direction.

Problem If You Rely Too Much on This Role: Vision will be lacking, and constituents' conflicting demands won't be balanced.

Role 3: ADMINISTRATOR

Responsibility: Balance the demands of internal and external constituents.

Problem If You Ignore This Role: There will be conflict among constituents, draining the organization's time and resources.

Problem If You Rely Too Much on This Role: The organization will be paralyzed, indecisive, and unable to accomplish its goals.

As you move through your workday and annual cycle, you must adjust your role to the changing circumstances. The proportion of time you spend in each role will and must vary. If you don't move from one role to the next, you won't respond appropriately to each situation.