

Nonprofit Management Reconsidered

A Case for a Fresh Approach to Employee Development



Are you putting enough time and money into developing good managers? If not, you may be in for a harsh awakening.

By Scott Schaffer

Jennifer was, by all accounts, a model employee. In six years as a social worker, she set a standard for competence that drew the admiration of co-workers, supervisors, and clients. She lived the organization's mission of transforming the lives of recovering substance abusers. It was no surprise when, after her boss retired, she was chosen to head the agency's social services department. She would be overseeing 26 staff and a \$700,000 budget.

It was a classic success story, and friends and colleagues celebrated her promotion. She had earned this. Jennifer's career was developing just as she'd always hoped it would.

This story is so familiar that few people stop to wonder what's wrong with the picture. Jennifer's path to success followed a pattern that has a striking peculiarity: When people succeed in their profession, employers often transfer them to a new one.

Regardless of an individual's expertise, the path to advancement — that is, to positions with higher pay and greater authority — leads through the ranks of management. The practice of promoting employees into a new line of work as a reward for a job well done isn't unique to nonprofits, but it's ingrained in nonprofit culture, which draws its energy from mission-oriented personnel.

What Are the Two Philosophies?

There are two general views of cross-promotion to management. Purists argue that employees with specialized skills, say in health care or fundraising, can best serve their organizations by staying where they're strong. Pragmatists, on the other hand, contend that someone has to run the place, and organizations could do a lot worse than selecting their most competent employees to do so.

Both ideas have merit, but the debate isn't on the airwaves; the pragmatists have won by default. It's vital for the sector to address this issue. We must face the reality that many nonprofit managers come into their positions after education and experience in a different field.

In principle, cross-promotion can work out just fine. Often it doesn't. The rest of Jennifer's story is a case in point.

Despite an impeccable track record, she wasn't able to translate her skills to her managerial role. While she had been effective in developing one-on-one connections with clients, she struggled in the more ambiguous world of board committees, management teams, and interdepartmental relationships. She never embraced duties like budget management and attendance at fundraisers. She remained a staunch advocate for direct services, but she alienated fellow executives, who perceived her as inflexible and unconcerned with fiscal realities. While she had been firm and consistent as a case-worker, she failed to establish herself as an authoritative supervisor of her former peers. After

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seven months, Jennifer left the organization.

While no one expected that ending, the situation had the ingredients for failure.

What Is the Fatal Recipe?

Cross-promotions misfire for two reasons. First, leaders often neglect or undervalue the raw materials of management when making personnel decisions. Second, they don't recognize that management is a *different profession* for many employees. Thus, they don't prepare employees adequately before promotion to their new role. Jennifer had great strengths but lacked some of the attributes that

correlate with managerial success. Further, the organization threw her into her new position without much preparation or support.

Extensive cross-promotion can result in an organizational culture that's strong on commitment, loyalty, and knowledge of programs but weak on planning, communication, and financial management. While this combination is preferable to its inverse, it can hinder success.

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As Jennifer's case illustrates, cross-promotion can also create adversity for managers and their co-workers. Too many managers are left to figure out the complexities of budgeting, strategic planning,

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How Can You Keep Your Managers from Failing?

Nonprofit leaders can take several steps to minimize the pitfalls of management development:

Question the assumption that advancement means leaving the front lines. The main reason employees aspire to be managers is that incentives point them in that direction. To get more compensation, influence, and respect, they're encouraged to seek managerial positions. Yet those ambitions don't mean they'll be effective or satisfied as managers.

Consider creative approaches to keep front-line employees fulfilled should they choose to remain there. Offer them merit-based pay scales that overlap those of management positions. Provide tenure-based benefits such as sabbaticals or funding for personal development. Intangible rewards such as job autonomy, input into decision-making, and employee recognition also address workers' psychic needs and keep teams together, with the right players in the right positions.

Identify employees with the potential to be strong managers, and cultivate them for that role. Ask the question: Who will be a good manager? There's no simple answer, but asking the question starts a healthy process.

The fit may be counter-intuitive. The attributes likely to produce capable managers may not be critical to other jobs. The ingredients that beget good managers include: balanced judgment, listening skills, ability to resolve conflict, interest in strategic goals, attention to details and deadlines, and comfort with multi-tasking. Jennifer's downfall was caused by her reluctance to negotiate, neglect of executive duties, and inability to identify



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with the organization's larger goals.

In addition to skills and personal characteristics, individuals can bring another valuable asset to a management team — *diversity of ideas*, which encourages rich discussions and wise decisions. Groups tend to flow toward like-minded people, which can work counter to diversity.

By searching for managerial promise beneath the surface, organizations can build their next generation of leadership. Providing these employees with management responsibilities can nurture their skills and interests, build motivation, and test their acumen. When an appropriate management position opens, a well-prepared heir will be waiting.

Spend more time and money on training. Nonprofits invest fewer resources in management training than either for-profits or government, often due to perceived budget constraints. This lack of investment widens an already dangerous gap, since the sector draws fewer trained managers than its counterparts.

New managers need and deserve help in their transition. They need training in the basics of personnel, project, financial, and time management. The field of management is part art, part science. Training

can build both elements.

While not everyone can become a great manager, anyone can improve with the right tools. Senior staff can also benefit from well chosen professional development; routine maintenance is as important as the initial step.

Aim high. Boards and executive directors need to maintain high expectations and monitor management effectiveness. The tone is set from the top.

Nonprofit leaders must view management with the same gravity that they regard direct service. Cross-promotion of employees can be effective with proper planning. Organizations that practice it must commit to its success.

Like all good investments, this one will yield long-term rewards through improved services, morale, and finances. By viewing managerial excellence as a priority, organizations can pursue their missions with renewed vitality. ■

Resources

Gooding, Cheryl, "Using Training Strategically to Build Organizational Capacity," *Nonprofit World*, Vol. 14, No. 4.

Knowlton, Lisa Wyatt, "Study Shows Gaps in Nonprofit Management — and Ways to Improve," *Nonprofit World*, Vol. 19, No. 3.

Santora, Joseph, "Planning for Leadership Succession: Are You Ready?," *Nonprofit World*, Vol. 22, No. 4.

Tschohl, John, "Training Programs Need More than Good Information," *Nonprofit World*, Vol. 21, No. 2.

These resources are available free at www.snpo.org/members.

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