

Preparing the Path to Leadership

Executive Summary



EDA CONSULTING

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[About the author & EDA Consulting:](#)

Emily Davis, EDA's Founder and President, began her career working in the field of ending violence against women more than 10 years ago as a community activist, victim advocate, and trainer. In addition to focusing on women's health and sexual assault, she became involved in environmental and international issues. In 2003 she was awarded the Boulder County District Attorney's Victim Advocacy Award.

Since Spring 2007, Emily has been serving as a nonprofit consultant and philanthropic advisor to various individuals and organizations through her company, Emily Davis & Associates Consulting. EDA Consulting currently provides consulting and training for nonprofit organizations in the areas of:

- Leadership
- Fundraising/Resource Development
- Nonprofit Creation
- Philanthropic Advising
- Marketing, Outreach, and Communications
- Board Development
- Volunteer Management
- Emerging Leadership
- Sustaining Activism

Emily has served on numerous nonprofit committees and boards in Colorado and recently completed her Masters of Nonprofit Management from Regis University. She continues to pursue grassroots projects in the local, national, and international communities from San Diego, CA.

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The United States nonprofit sector is anticipating a gap in executive staffing as Baby Boomers begin to retire from leadership roles. In spite of these pending retirements, a crisis is not inevitable; there is a new generation of young nonprofit professionals seeking leadership opportunities. Transitioning Boomer executives, nonprofit leaders, and funders should encourage organizations to recruit, prepare, and engage young professionals to ensure sustainable success within individual organizations and across the entire sector.

Preparing the Path to Leadership defines the leadership gap and its potential impact on nonprofit organizations, outlines the experiences of young nonprofit professionals, and provides recommendations for incorporating young nonprofit leadership as a valuable strategy in addressing this pending gap. For the purposes of this research young nonprofit professionals are defined as those individuals ages 35 and younger who include professionals from Generations X and Y and Millennials (those born after 1979). A review of literature and a 2007 survey of 172 young nonprofit professionals from around the country demonstrates the importance of focusing on the recommendations outlined in *Preparing the Path to Leadership*. The recommendations provide strategies to professionals and organizations looking to seize opportunities for growth and sustainability.

A crisis is not inevitable: there is a new generation of young nonprofit professionals seeking leadership opportunities.

The Annie E. Casey Foundation and other researchers have found that more executives than ever are starting to plan for transition out of nonprofit organizations. With so many nonprofit organizations expecting founders and executives to leave their leadership roles, researchers within the sector are beginning to look at ways to prepare the next generation of leaders.

In the past five years executive transition and succession planning have become critical issues across the nonprofit sector as founders and leaders, mostly within the Baby Boomer (Boomer) generation (born between 1946 and 1964), prepare for retirement. Frequently, nonprofit leaders and founders have grown professionally alongside their organizations' development and, therefore, have a powerful investment in their organizations and how they are run. Many of these organizations also are run by boards of directors comprised of seasoned professionals with characteristics and strategies similar to their executive leaders. There are serious concerns about how these leaders, boards and executives, will continue their legacies or be replaced when they transition out of the organization and/or sector.

It will be critical for current nonprofit leaders to retain young professionals with a commitment to excellence in nonprofit work throughout the sector.

As Baby Boomers transition into retirement some contend that there is a potential crisis for the sector and others argue that these situations provide opportunities to capitalize on incorporating the skills and talents of young nonprofit professionals. The demand for formal nonprofit education among young professionals reflects the growing interest of young people in the nonprofit sector and in leadership roles. It will be critical for current

nonprofit leaders to retain young professionals with a commitment to excellence in nonprofit work throughout the sector.

Defining the Leadership Gap

The gap in leadership cited throughout *Preparing the Path to Leadership* is defined as the period of time when executive Boomers are preparing to leave their leadership roles to when new leadership is installed. It describes not only temporal gaps, but perceptual gaps in what well-qualified leaders look like. Boomer-generation executives and boards of directors often see current and effective leaders as having qualifications that differ from skills that young nonprofit professionals value for excellent leadership. Finally, the gap refers to the lack of communication, preparation, and support available to transitioning leaders out of and the next generation of leaders in to the sector.

Some young nonprofit professionals feel older leaders have not adequately prepared them to take over leadership roles or that Boomers lack the flexibility to adjust to the next generation of emerging leaders. Others believe that young nonprofit professionals have not paid their dues, cannot commit to nonprofit work in a sustainable way, or are too complacent to lead nonprofit organizations.

Finding strategic and attainable solutions that address bridging the gap between generations and the financial questions of leadership are important for sustaining and strengthening the sector. With thousands of new nonprofit organizations emerging every year in the United States, it is essential that the nonprofit sector design steps to engage and retain new leadership.

Young nonprofit leaders report that their experiences and strategies for effective leadership often conflict with the values of leaders in their 50s and 60s. There are executives who are committed to preparing and collaborating with the next generation of leaders, but may not know the best tools to manage the

change in leadership. Additionally, executives and boards may not see preparation for leadership transition as a priority for sustaining the organization. Financial restrictions on both young nonprofit professionals and on nonprofit organizations limit the sector's ability to recruit and retain young professionals and reduce turnover within organizations.

Many executives, including some who are organizational founders, express great concern about who will succeed them and the competency of the next generation of leadership. Founders leaving or preparing to leave their organizations face both internal and external challenges. It can be difficult for them to delegate and share ownership of the mission and vision that they created (Stevens, 2005, p.5). These dynamics have a direct impact on the ability to bring the next generation of young nonprofit leaders to the forefront of organizations.

Roadblocks: The roadblocks that young nonprofit professionals experience and which need to be addressed in order to prepare for the future include:

- Turnover in nonprofit organizations;
- Stronger boundaries between personal life and professional career (Peters, Fernandopulle, Masaoka, Chan & Wolfred, 2002, p. 12-15);
- New leadership styles (Kunreuther, 2005);
- The value of academic experience (Moore, 2005);

- Age discrimination (Moore, 2005); and
- The financial implications for a generation balancing the pressure of expensive student loans, high cost of living, and the prospect of raising families (Hansen, 1999).

Recommendations

- Improved organizational dynamics,
- Financial support,
- Internships,
- Mentorship,
- Professional development, and
- Formal education.
- Multiple generations need to commit to a process that will enable communication and smooth transitions.
- Young professionals, executives, and boards will need to invest in strategies benefiting nonprofit organizations' health and survival.
- Shift organizational cultures and dynamics to be more inclusive and understanding of the intergenerational struggles including personal and professional needs.
- Young nonprofit professionals need to advocate for themselves and balance their desires for leadership roles with the needs of the organization, the board, and the executives.
- Young professionals also need to read and learn more about trends in succession planning in order to have some orientation to the challenges that the board and executives face

Executives and Boards of Directors

Improved communication: To recruit and retain quality young nonprofit professionals and improve organizational dynamics, nonprofit leaders need to encourage intergenerational communication, recognize the value and necessity of young nonprofit professionals in the sector, and consider new leadership and management styles. Leaders at all levels need to expect and facilitate conflict as it arises to generate innovative solutions that will support the long-term health of nonprofit missions.

Boards should set a standard for their organizations by using resources such as facilitators when conflicts arise and keep the focus on the greater goal of preparing for leadership transition. The board and executives should be transparent and share their plans and concerns for executive succession planning with the entire staff and begin to have a genuine discussion about their anticipated steps for the future.

A Proactive Approach: Eventually, Boomers will retire and there will be leadership gaps which boards will need to fill. Rather than act defensively, boards and executives can take a proactive approach in preparing for the inevitable future. Without preparation, nonprofits are likely to face greater hardship, potentially limiting services nonprofits provide which the government and for-profit sectors do not.

New Leadership Models: Young people have evolving strategies for management and leadership that will be unconventional for many boards. Rather than dismissing new models, boards should objectively consider the benefits and limitations of any new

management and leadership style and be willing to take calculated risks. This requires faith and objective examination of the benefits and costs to traditional, hierarchal models of leadership and organizational management. As with any transition, some individuals will not feel comfortable with risk or change despite whatever positive outcomes may result. This is to be expected and open communication about these realities will help better prepare any organization for the future.

Additionally, boards should consider recruiting more young nonprofit professionals into governance roles as a way to attain the next generations' perspectives and guidance. Young professionals will benefit from having an understanding of the history of nonprofit management and the benefit to hierarchal models. Being prepared to openly discuss the benefits and challenges to new governance and management models will help them in gaining credibility and respect.

Keeping up on trends: Leadership in nonprofit organizations should be aware and knowledgeable about research and trends in succession planning and emerging nonprofit leaders. With so many governance and fiscal responsibilities, this may seem like a fringe priority, but the board and funders should continually emphasize its importance and relevance in organizational sustainability.

Boards and executives should address the financial impact of retirement on Boomer executives and begin to plan for ways to recognize their commitments and innovations. There is available research on how to aptly recognize the work of retiring executives and their visions for nonprofit organizations.

Establishing trust: Boards, executives, and young people need to set a foundation of trust and confidence that all parties have the best intentions for the mission of their organizations and their clients. The perception of limited hands-on experience should not be considered as a deterrent in weighting young peoples' perspectives and talents.

Funders and Financial Solutions

Retirement Planning: Boards of Directors need to prepare to work with a new generation of leaders and simultaneously prepare for the succeeding generation. This means addressing the fears and concerns of Boomer executives and founders. The sector overall has done little to provide executives with retirement planning or a sense of purpose after their employed activism is completed (Kunreuther, 2005, pg. 16-19). Addressing the financial needs of succeeding executives and young nonprofit professionals will be equally important in preparing for this transition.

Boards should begin planning now for their executives' financial retirement needs and should design policies and procedures that will help to support the financial needs of young people without breaking their budgets. It is not necessary to simply increase salaries for young nonprofit professionals, although boards should examine how the cost of living changes on an annual basis. Boards can become more involved in advocacy within the philanthropic sector by partnering to create funding specifically for organizational health and sustainability.

Rewards: Boards can institute policies that reward staff members who independently seek out professional development and educational opportunities. Institutional

funders should consider funding specifically for developing individuals within organizations through grants aimed at professional development and formal advanced education. Funders need to directly link adequate financial support for recruiting and retaining staff to successful organizational outcomes.

Funders should investigate innovative funding strategies such as sustaining activism, loan-forgiveness programs, and retirement planning in order to recognize and promote the value of nonprofit employees across generations.

Financial realities: Young nonprofit professionals need to be realistic about nonprofit organizations' capacities to offer staff competitive wages. As some survey respondents noted, young people may need to look at getting second and third jobs in order pay off student loans. Young people should be encouraged to get involved with advocacy on a state and national level in order to get the government to consider educational debt forgiveness strategies for those working in the nonprofit field.

Promote a Healthier Balance

Reducing turnover: In order to retain quality young professionals and reduce turnover rates, nonprofits should research strategies that promote a balance between work and personal life for all staff and encourage to staff to maintain this balance. It is clear from the research, that young people are willing to make some sacrifices on behalf of their careers, but may be increasingly questioning how their personal life can play more of a role in balancing out their professional careers. Kunreuther provides the following recommendation:

To address this issue, discussions (in organizations and more broadly) are needed to understand how to create manageable jobs that allow for family life, relaxation, and renewal. It is important to acknowledge that staff members derive meaning from their work and at the same time, need to limit the reach work has into every aspect of their lives. Older directors can spend time with young staff and young directors to help them develop ways to stay in the work while maintaining activities outside the office. Finally, funders can help by trying to ensure that organizations set realistic goals rather than encouraging them to do more for less (2005, p.18).

The sector needs continued research on the impact of nonprofit efforts to encourage the balance between work and personal life among young nonprofit professionals. Results from the research will allow organizations to learn about the most effective strategies.

Internship and Mentorship

Survey respondents highlighted the importance internships play for young nonprofit professionals. More nonprofit organizations should consider starting internship programs that are aimed at retaining those interns as staff once their internship is completed. Internships create a learning experience for the intern, staff for the organization, and help to develop consistent staffing within the organization.

Organizations can look to models such as Princeton University and Colorado College who are developing programs where students can apply for paid internships with partnering nonprofit organizations. These universities are making sure that the

interns are gaining valuable experience in the nonprofit sector while organizations are receiving quality interns and work.

Nonprofit organizations should encourage young nonprofit professionals to seek out a mentor and support their taking time to meet and consult with them. Nonprofit organizations may wish to consider establishing mentor partnerships within organizations between leaders or former leaders, seasoned nonprofit professionals, volunteers, and young staff.

Professional Development

Budgeting for professional development: *Preparing the Path to Leadership* research demonstrates that young nonprofit professionals value professional development opportunities. Leadership should include professional development as a part of any budget and figure out ways to encourage staff to participate in this strategy and compensate them in different ways based on financial capacity. Nonprofit organization should work collaboratively with funders to make professional development and capacity building a funding priority.

A host of professional development opportunities are offered locally and nationally for many nonprofits. Organizations like Young Nonprofit Professionals Network (YNPN) are taking the lead in providing mentorship opportunities to emerging leaders.

Formal Education

Boomer leaders should learn more about the impact formal education has on nonprofit organizations by taking risks and hiring young professionals with less hands-on experience and more academic knowledge.

The efforts of Boomer executives is what has created the concepts taught in the nonprofit management programs and led to a healthy and thriving nonprofit sector. Leaders should work with their boards to create policies that encourage staff to receive formal education. Steps like these help to support and value the academic experiences of young nonprofit professionals.

Conclusion

Current nonprofit leadership from the Boomer generation and young nonprofit professionals can collaboratively implement new skills and experiences to guide and sustain a resilient generation of nonprofit organizations. This collaboration and communication will help to decrease turnover, create innovative strategies for recruiting and retaining staff, and design revolutionary leadership techniques while honoring the history of the sector. This may help to address decreased turnover, innovative strategies for recruiting and retaining staff, and designing revolutionary styles of leadership while maintaining the spirit of the sector. Implementing any combination of the above strategies will help to communicate the value that young nonprofit professionals have in the sector and within specific organizations. Conflict will arise, but with a strategic and flexible approach, organizations are bound to be better prepared for successful executive transition.