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Perceptions and Experiences of Leadership
Among Richmond, Virginia Nonprofit Executives:
Considering Our Preparedness for an Uncertain Future

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Abstract

This study examines how nonprofit executives in Richmond, Virginia perceive and experience the role of leadership in two dimensions: the individual and the organization. The purpose of the study is to explore whether executives' perspectives of individual and organizational leadership orient organizations toward a focus on operations (i.e., efficiency, viability, and survival) or fundamental social change. Executives' perceptions and experiences of leadership are examined within the context of the economic downturn that began in late 2007. The methodology consisted of a small sample of interviews with executive directors of mid-sized nonprofit organizations. The results indicate that Richmond nonprofit executives primarily perceive leadership in terms of an individual's behavior, as opposed to collective efforts at change, and they perceive organizational performance primarily in terms of operational concerns over community impact. While executives prioritize 'being visionary' and 'being innovative' as critical to their role, daily responsibilities require their involvement in operationally-oriented tasks. Results indicate that, for those organizations that address problems that can conceivably be mitigated, the region's leadership may currently advance organizational efficiency and survival without an added emphasis on social change. As social change cannot take place without organizational efficiency, leadership as advancing social change represents an opportunity for nonprofits to utilize organizational efficiency to add to their contributions to society. A newly uncertain operating environment may require a shift in perceptions of leadership in order to address root causes of social problems.

Perceptions and Experiences of Leadership Among Richmond, Virginia Nonprofit Executives:**Considering our Preparedness for an Uncertain Future**

The purpose of this study is to examine how nonprofit executives in Richmond, Virginia perceive leadership in order to determine whether the Richmond nonprofit sector's work is primarily oriented toward operations (i.e., efficiency, viability, and survival), on one hand, or mission, community impact, and significant social change-related outcomes, on the other. The study also explores how executives define and evaluate organizational performance by considering both internal concerns and community impact. Evaluated within the context of the economic downturn that began in 2007, the study examines whether an altered operating environment including decreased government, philanthropic, and individual giving, alongside increased demand for services ("Nonprofit Finance Fund", 2011), is influencing the way executives perceive and carry out the work their organizations do.

The design of this study is based on two previous studies that examined leadership competencies (Thach & Thompson, 2006) and nonprofit executives' perceptions of leadership to strengthen the community (Driscoll, Hernandez, Lemasters, Noel, & Sekerke, 2009). It adds to the growing body of data about the Richmond, Virginia nonprofit sector's response to the recession that began in late 2007 (Driscoll et al., 2009). The study aims to:

- Consider what functions executives consider most important to the roles they occupy in pursuing their organizations' work
- Understand how executives evaluate organizational performance
- Provide insight into whether an executive's perceptions of their organizations' work primarily seeks organizational efficiency and survival or social impact
- Consider the influence the current economy may have on the way executives perceive leadership

- Discuss how well poised Richmond nonprofits are for accomplishing meaningful work in an uncertain future

I propose that executives' perspectives of leadership are particularly important in the changed operating environment because the environment requires organizations to adapt in order to either do more with less or do more in tackling the social problems they address to stem the flow of need. The influence of the current economic environment on leadership is especially relevant considering the demand for nonprofit human services that is greatest during challenging economic times and the pressure on nonprofit agencies, historically relying heavily on government support, to seek out new and more diverse funding sources (Van Brackle, 2011).

This study 1) provides a review of the literature on contemporary perspectives of leadership and the effect of the economic downturn on the nonprofit sector; 2) describes the methodology used to interview the study's nonprofit executive respondents; 3) presents the study's findings; and 4) discusses how the findings and their implications may relate to the preparedness of Richmond, Virginia's nonprofit sector for an uncertain future.

Literature Review

This literature review attempts to differentiate between leadership as defined in organizational terms and leadership as defined in community or social impact terms. To do so, it is important to first distinguish between leadership and management. Following my presentation of this literature, I also present data and scholarship on the financial impact of the recent economic recession to present a realistic backdrop against which to consider current perspectives of leadership. Finally, the literature review touches on the current state of the nonprofit sector in Richmond, Virginia in light of the economic downturn.

Because this study is focused on examining nonprofit directors' perceptions, I draw primarily on scholarship from the nonprofit sector but also reference concepts and theory from the private sector in presenting different perspectives on leadership.

Leadership and Management

Differentiation between leadership and management in the context of nonprofit work is important because "in nonprofits there often is an inherent tension between rallying resources to the mission and managing the business efficiently" (Stid & Bradach, 2009, p. 36). Exacerbated by limited resources and stakeholders' expectations that they do more with less, nonprofit executives often handle both sets of responsibilities, and the result is organizations that are strongly led but under-managed (Stid & Bradach, 2009) or over-managed and under-led (Bennis & Nanus, 2005).

One analyst's consideration of several peer-selected well-respected nonprofit organizations suggests that organizations making meaningful societal impact enjoy and actively cultivate both strong leadership and strong management (Stid & Bradach, 2009). The authors suggest that when leadership, defined as articulating an organization's vision and generating the support needed to pursue the vision, and management, defined as executing results producing processes and systems consistently, are both in place, an organization appears more likely to have the capacity "to deliver great results over time" (Stid & Bradach, 2009, p. 36).

Other research that considers leadership versus management suggests that nonprofit executives sometimes experience incongruity between how they describe their envisioned role as leader and the activities in which they engage (Herman, 2010). Uncovering this discrepancy allows researchers to consider the extent to which executives engage in mission-driving behaviors versus management of daily operations (Driscoll et al., 2009).

The distinction between leadership and management in the nonprofit sector is complicated by increasing expectations that nonprofits become more "business-like" (Tash, 2010). Executives often see

the 'double bottom line' of mission and financial viability as a central challenge in the work they do (Stutts & Allison, 2011). Especially in an economic downturn, nonprofit executives must increase efficiencies without jeopardizing their organizations' advocacy and community-building work, orientation toward diversity and competing values, provision of comprehensive services, or their long-term future in exchange (Compass Point Nonprofit Services, 2006; Dees, 1998; Maier, 2011; Renz, 2010).

The differentiation between leadership and management is relevant to understanding how executives perceive leadership because organizationally-oriented concepts of leadership tend to echo more managerial approaches to work, while community-oriented perceptions of leadership echo what is generally associated with leadership's orientation toward social change.

Defining Nonprofit Leadership

The extensive body of research on progressive leadership models moves away from traditionally leader-centric definitions where leadership is understood as a trait, or behavior, of an individual who holds the title of leader and the authority that comes with that title (Haber, 2011; Heifetz, Kania, & Kramer, 2004). Instead, contemporary research on progressive leadership emphasizes relational work in which individuals and organizations share responsibility for responding to complex problems (Denhardt, Denhardt, & Aristigueta, 2009; Haber, 2011; Murphy, 2011).

Contemporary research on leadership diverges into two primary streams of thought about how leadership is best defined, and that differentiation hinges on the perception of leadership as organizationally or community oriented (McLeod & Crutchfield, 2007; Stutts & Allison, 2011). In this respect, contemporary scholarship on these two primary perspectives of leadership represents a move beyond the leadership-management dichotomy, deepening our understanding of different purposes for leadership. Some scholars and practitioners see leadership within the bounds of individual organizations and as serving the purpose of achieving organizational efficiency and organizational survival (Dees, 1998; Haber, 2011; Stid & Bradach, 2009; Tash, 2010; Van Brackle, 2011). Others see

leadership within a broader framework that is driven to meet community needs while also addressing or alleviating a shared community issue (Heifetz et al., 2004; McLeod & Crutchfield, 2007; Menefee, 1997; Renz, 2010; Stutts & Allison, 2011). Prescriptions for leadership in action look differently according to these differing perspectives. Here, I examine the two perspectives.

Perspective: Leadership as Advancing Organizational Efficiency and Survival

Leadership perceived within the bounds of the organization is seen as behavior that aims to achieve long-term viability while pursuing the organization's mission efficiently (Stid & Bradach, 2009). Haber (2011), for example, defines leadership as an organization-wide process involving work directed at a delineated purpose and shared values by staff at all levels of an agency. In this context, the executive's role is to envision the organization's direction and to influence others to follow that vision; the leader motivates and builds relationships in order to 'create organizational change' (Haber, 2011, p. 313). Herman (2010) also defines leadership in the terms of the organization, asserting that while "leadership does not and cannot occur only at the top of an organization... leadership is fundamentally the responsibility of the chief executive and the board" (p. 158). From this perspective, leadership consists of managing the agency's work in relation to its environment in order to ensure survival (Menefee, 1997). This requires aligning the organization's various internal strategies according to a shared purpose and maintaining a "responsive external orientation where strategies pursued are directed at tasks of mission accomplishment and resource acquisition" (Herman, 2010, p. 158). Integral to this approach is using participative management and decision-making to grow staff accountability and commitment (Kim, 2002). In sum, the leader's task in this view is to influence organizational performance and "to help drive that organization to succeed" (Carlson & Schneiter, 2011, p. 331).

Building on this concept, leadership considered within the bounds of a single organization involves executives' accomplishing effective strategic action by matching the organization's activities to its environment (Menefee, 1997), where "the task for leaders is to make the case for their services so as

to secure the resources that enable nonprofits to provide critical and essential services” (VanBrackle, 2011, p. 303). Here, leadership is perceived as activity geared towards organizational preservation. While some see the current economic climate as motivation for finding ways to be innovative in pursuing one’s mission, those who perceive leadership as organizationally-oriented see organizational growth, maintenance, or survival as the ultimate reason for innovation (Menefee, 1997; Van Brackle, 2011). Accordingly, scholars and practitioners of this mindset identify an organization’s ability to demonstrate effectiveness as a factor critical in securing its survival, and they define organizational effectiveness according to the expectations of various stakeholders (Van Brackle, 2011) or according to the organization’s ability to acquire the resources it requires to operate (Herman & Renz, 2004, 2008; Van Brackle, 2011). From this perspective of leadership, the executive of an organization plans strategically, managing internal processes for adequate responsiveness to client needs; manages strategically, implementing participative decision-making to improve performance; and leads strategically, building the relationships and coalitions that ensure needed financial and other support for the organization (Menefee, 1997).

Perspective: Leadership as Advancing Social Impact or Social Change

In contrast to leadership for organizational performance or sustainability, leadership for social impact emphasizes leadership as a process and action that generates meaningful contributions to address societal issues (Heifetz et al., 2004; McLeod & Crutchfield, 2007; Thach & Thompson, 2006). Scholars and practitioners who take this approach to leadership see societal outcomes as the driving motivator for organizational work; changes in the prevalence of social problems and progress toward mission achievement are the benchmarks against which one can judge the effectiveness of an organization and the validity of their executives’ performance (Herman & Renz, 2004; McLeod & Crutchfield, 2007; Menefee, 1997; Zenger, Ulrich, & Smallwood, 2000).

For practitioners of this mindset, while pursuing organizational growth would be easier than working with others for social change, inter-agency collaboration is the approach that addresses root issues to social problems and creates fundamental change (McLeod & Crutchfield, 2007). In fact, “to emphasize financial growth [as a criterion of effectiveness] would threaten many nonprofits’ legitimacy, which is crucial to their funding” (Herman & Renz, 2004, p. 695). In this context, the nonprofit’s ultimate ‘bottom line’ is the social impact it accomplishes through its work (Renz, 2010; Tash, 2010), and the executive’s success is measured by the meaningfulness of her contributions to effecting change (Tash, 2010). Nonprofits with executives who perceive of leadership as geared toward community change operate according to the knowledge that “public problems today do not easily confine themselves to one organization” (Denhardt et al., 2009, p. 197) and tend towards collaboration with other organizations, where leadership requires as much attention to internal operations as it does to external affairs (McLeod Grant & Crutchfield, 2008a).

Important to the concept of achieving true social impact or social change is the differentiation between technical work and adaptive work (Heifetz, 1994). Technical work that requires substantive know-how differs from adaptive work that requires a change in community values and the community’s approach to how to address social problems (Heifetz, 1994). Adaptive work, or adaptive leadership, describes actions that take on challenging issues by addressing diverse viewpoints and conflict to encourage and develop responsibility within the community such that the resulting work elevates the community and progress is achieved (Denhardt et al., 2009; Heifetz et al., 2004). Heifetz, Grashow, and Linsky (2009) claim that that kind of leadership involves courageous improvisation and experimentation flexible enough to respond adequately to the complexity of community circumstances.

For those who perceive leadership as a process for the purpose of social change, innovation is so essential to generating meaningful work that the “skills that enabled most executives to reach their positions of command—analytical problem solving, crisp decision making, the articulation of clear

direction—can [today] get in the way of success” (Heifetz et al., 2009, p. 3). Instead of seeking solutions singlehandedly, leadership for social impact integrates and articulates a diverse group’s vision, develops the community’s commitment to action, and serves as a catalyst for the community’s action, continually addressing today’s problems while developing deep capacity for adaptability to face the next ones (Denhardt et al., 2009; Heifetz et al., 2009). In this context, the executive of an organization seeking to make social change must foster adaptation by: distinguishing between essential and unnecessary practices; taking advantage of disequilibrium to develop courageous and relevant decision-making; and developing leadership throughout and across organizations and the community (Heifetz et al., 2009). Table 1 illustrates key elements differentiating the two primary perspectives of nonprofit leadership.

Table 1. Two Primary Perspectives of Nonprofit Leadership

Area of focus	Leadership as advancing organizational efficiency and survival	Leadership as advancing social change
Goal	Organizational effectiveness	Community based change in root issues of social problems
Role of leadership	Envisioning an organization’s direction and influencing others to follow that vision	Integrating community views on a social problem and catalyzing community action
Strategy	Alignment of internal processes with external environment for responsiveness to client needs; Resource acquisition	Experimentation, risk; Fostering creative adaptation
Decision-making orientation	Participative management to enhance performance	Shared leadership and collaboration across organizations and citizens
Measuring success	Meeting expectations of stakeholders; ability to acquire resources to pursue mission; organizational growth	Reduction in prevalence of social problem
Assumption about social problems	Persistently continue or grow	Citizens can effect change

The Nonprofit Sector and the Recession of the 2000s

The importance of differentiating between leadership as advancing organizational efficiency and survival, on one hand, and progress on community issues, on the other, is particularly relevant in light of

the challenging economic environment within which nonprofits find themselves operating today (Driscoll et al., 2009). Some suggest that solutions to the social problems of today's world will require a reduced significance of organizations themselves and a shift toward concentrating on the work to be accomplished (Gowdy, Hildebrand, LaPiana, & Mendes Camps, 2009; Salamon, 2010; Stutts & Allison, 2011). Nonprofits will be increasingly expected to produce community change despite the considerable financial strain they face in the wake of the severe late 2007 economic downturn (Billups, 2010; Salamon, 2010).

Evaluating the impact of the economic downturn on the U.S. nonprofit sector as a whole, the Nonprofit Finance Fund, one of the top community development financial institutions in the U.S., completed a survey of nearly 1,000 nonprofits and found that fewer than 12% of organizations expected to break even at the end of 2009 ("Nonprofit Finance Fund", 2011). Moreover, "31% did not have enough operating cash in hand to cover more than one month of expenses, and another 31% had less than three months' worth". A subsequent survey in 2009 revealed that only 18% of organizations surveyed expected to break even at the end of 2010, representing only a slight improvement over the prior year. Moreover, at the beginning of 2011, 85% of organizations anticipate a demand for services. Another recent study surveying nearly 350 nonprofit organizations found that 80% acknowledged experiencing considerable fiscal stress beginning in the fall of 2008 (Salamon & Geller, 2009). Half of those organizations experienced declining revenues and the majority of organizations said they expected the trend to worsen in the months following the survey (Salamon & Geller, 2009). In 2009, the U.S. economy's per capita growth rate had dropped to nearly -7%, following an average growth rate of 2.9% over the five years prior ("Trading Economics", 2011).

Some anticipate that the trends surfacing as a result of the economic downturn are indicative of a new financial reality and that "when the economy recovers, things won't return to normal" (Heifetz et

al., 2009, p. 2). The potential for this continued reality underscores the relevance of understanding whether nonprofit executives guide their organizations in effecting community change.

The State of the Nonprofit Sector in Richmond, Virginia

The nonprofit sector is the second largest industry in terms of employment in the Commonwealth of Virginia and, in 2005, the sector generated over \$30 billion (Salamon, 2008). In Virginia, 71.3% of nonprofits are located in three of the Commonwealth's eight geographic regions, with 15% of organizations located in the Central Region, including Metro Richmond (Salamon, 2008). Contrary to popular belief, in Virginia, like the rest of the U.S., "unquestionably, the major sources of... nonprofit revenue are government and fees for service" (Salamon, 2008, p. 11). In Virginia, the population continues to grow at a faster rate than that of the country as a whole (Salamon, 2008).

The nonprofit sector of Richmond, Virginia experienced significant financial challenges resulting from the 2007 economic downturn, echoing the national nonprofit sector's experience. One study of Richmond-based nonprofits indicates that, in 2009, about half of over 150 organizations surveyed experienced fewer individual donations, reduced corporate donations, and decreased foundation giving (Billups, 2010). In response to reduced funding, close to half of those surveyed said they coped by reducing staff and one third of respondents offered fewer services to clients than they had in prior years (Billups, 2010).

Methods

As stated previously, the design of this study is based on two previous studies that considered leadership competencies (Thach & Thompson, 2006) and nonprofit executives' perceptions of leadership (Driscoll et al., 2009). The method consisted of 15 interviews with nonprofit executive directors or chief executive officers (CEOs) in Richmond, Virginia whose organizations had profiles on the online nonprofit directory GiveRichmond.org. Powered by GuideStar and administered by The Community Foundation

Serving Richmond and Central Virginia, GiveRichmond.org provides the public with access to profiles and financial and governance information on Virginia nonprofit organizations. To be listed on GiveRichmond.org, a nonprofit organization must have a 501c3 tax-exempt ruling from the IRS; file an IRS 990 or share prepared income statements and balance sheets for three years; provide due diligence information including board information and audit documentation; be reviewed by The Community Foundation; and update its profile on an annual basis. A search to produce a list of nonprofit organizations in the Richmond area produced 215 results, which represents just over 15% of the nonprofits filing 990 Forms in The Community Foundation's service area in 2005 (Salamon, 2008). To be selected for participation in the study, an organization had to meet several criteria:

- The executive director must have been working for his or her organization for a minimum of three years as an indicator of exposure to the organization's dynamics.
- The organization needed to have an annual budget of between \$1.0 million and \$2.5 million to indicate a measure of some capacity and to allow for some comparability across organizations. This budget level is similar to the average annual budget of \$1.2 million for nonprofits in The Community Foundation service area when controlling for the five organizations that have the greatest total revenue.

I confirmed this information using GiveRichmond.org's access to the organizations' 990 Forms from 2009, 2008, and 2007. Using this information, I reduced the sample to include only those organizations fitting these criteria (19 organizations), and then used random selection to identify 15 participants for the study.

Structured, face-to-face interviews consisted of 17 questions, 16 of which were open-ended and one that required respondents to select the top leadership functions they considered most important in their role from a deck of 26 'leadership function' cards. Interviews lasted 45 in length, on average. I

audio-recorded and then transcribed interviewees' responses. See Appendix A for the survey instrument.

Following the transcription and analysis of the directors' answers to these questions, I sought additional information about their perceptions of leadership by requesting their answers to three additional questions posted to a Survey Monkey survey instrument: How do you know when an organization other than your own is high-performing?; How do you know/stay informed about your role as executive director?; and, Regarding your answer to Question 2, please be as specific as you can about the learning source (e.g., I follow Tom Thumb's blog, Tom Thumb has been my mentor for three years, I take classes sporadically through XYZ program). I emailed the directors several weeks after the completion of their face-to-face interviews and requested their responses to these additional questions. Of the 15 directors involved in interviews, 12 provided responses to the survey questions.

Fourteen of 15 individuals interviewed were executive directors or CEOs; one was part of a two-person shared leadership team. Four were men and 11 were women. On average, the executive directors interviewed have been at their organizations for 11 years and have held their current job title for 11 years. On average, they represent organizations that have an annual budget of \$1.75 million and employ 22 people. The breakdown of nonprofits represented by those interviewed is as follows:

- 9 human services organizations
- 3 education organizations
- 2 arts organizations
- 1 public/societal benefit/membership organization

Results

Interviewees' responses to each question can be categorized into themes¹. Here, I present each question on the survey instrument and cluster responses to identify commonalities and differences.

Question 1. Generally speaking, how would you define leadership?

Responses can be categorized in terms of three themes:

- Having a vision for the organization and motivating or inspiring others to achieve the mission (11)
- Participating in and listening to community conversations around your target issue (1)
- Both having a vision and motivating others, and participating in a community conversation (3)

Eleven of the 15 executive directors (73%) defined leadership in terms of setting and communicating the vision of the organization; three (27%) defined leadership in terms of vision and inspiration and also in terms of participating in and listening to a community conversation around the issue the organization addresses. One defined leadership in terms of participating in a community conversation by saying that leadership has to do with “com[ing] together with some consensus of understanding of what the group as a whole is trying to do.” In that vein, one director mentioned the importance of a leader’s ability to “create a sense of urgency... to turn up the heat... to get people’s attention”.

Question 2. Generally speaking, how would you define organizational performance?

Responses can be categorized as follows. Directors described organizational performance in terms of:

- Internal concerns only (6 directors; 40%)
- Community impact only (5 directors; 33%)
- Both internal concerns and community impact (4 directors; 27%)

Internal concerns mentioned were:

- How well the organization is meeting its goals or mission (3)

¹ For many questions, some directors' responses fit more than one category and therefore created more responses than respondents.

- The financial sustainability of the organization (3)
- How well the stakeholders involved (Board and staff) operate together (3)
- How well the organization adapts to its changing circumstances (1)

Community impact concerns mentioned were:

- The social impact/outcomes that the organization makes (9)
- The broader community change that the organization effects (2)
- The community conversation the organization creates (2)

Question 3. Can you give me an example of a high-performing organization? What suggests the organization is high-performing?

Responses to this question indicate that directors evaluate organizations' performance on a number of indicators. Responses about why directors consider organizations high-performing related to the organization's:

- Internal operations (2 directors; 13%)
- Impact in the community (5 directors; 33%)
- Both internal operations and its impact in the community (7 directors; 47%)
- No response (1)

On average, each director gave two explanations for what makes an organization high-performing. Directors explained that a high-performing organization can be identified through attention to:

Its internal operations that indicate the organization:

- Is financially stable (3 responses)
- Meets its mission (3 responses)
- Effectively utilizes its volunteers (2 responses)
- Operates efficiently / low administrative costs (1 response)

- Has a vision that is shared by its stakeholders, particularly its Board (1 response)
- Is a valued place of work (1 response)
- Meets the highest regulatory or licensing standards (1 response)

Its community impact as evidenced by the fact that the organization:

- Has increasing client participation in and satisfaction with its programs (4 responses)
- Takes risks and tries new things to serve its clients (3 responses)
- Contributes to the network of organizations working on a cause / serves as a resource to other organizations (3 responses)
- Produces meaningful outcomes for its clients (3 responses)
- Effects broad community change (2 responses)
- Generates conversation in the community (1 response)
- Outperforms organizations doing similar work in terms of number of clients reached (1 response)
- Offers a vast portfolio of programs (1 response)
- Takes into consideration perspectives from a wide range of diverse stakeholders (1 response)

Its internal operations and its community impact:

- Accomplishes considerable community impact while using limited resources (return on investment) (4 responses)

The question also asked directors to name a high-performing organization. 47% of directors named their own organization. They also identified organizations other than their own, including:

- Homeward (2)
- Fan Free Clinic (2)

- Greater Richmond SCAN (1)
- Venture Richmond (1)
- YMCA (1)
- Junior League (1)
- Daily Planet (1)
- Riverside School (1)
- Faison School (1)
- Arena Stage (1)

Question 4. In general, what information do you need to know about an organization to speak to whether it is high-performing?

In order to ask directors to generalize from their organization-specific answers to Question 3, this question asked them to summarize what they need to know about an organization to speak to whether it is high-performing. Five themes emerged among the most frequent responses. To speak to whether an organization is high-performing, directors said that they need to know the following about an organization:

- Financial stability (6 responses; 40%)
- Community impact or outcomes (4 responses; 27%)
- Clarity of mission or ability to avoid mission drift (3 responses; 20%)
- Leadership (3 responses; 20%)
- Relevance of the organization's mission (2 responses; 13%)

Directors identified numerous additional factors that indicate high performance, but these were mentioned only once:

- Staff relationship with its clients
- Staff satisfaction with working there

- Board engagement in the organization
- Organizational structure
- Knowledge of organizational weaknesses and priorities for improvement
- Values
- Depth of organization's involvement in the community it serves
- Client satisfaction
- Contributions to the cause it serves

Question 5. Big picture, how would you describe what your primary role is personally in the work that your organization does?

Several dominant themes emerged in terms of the roles that directors see themselves playing in their organizations. Responses can be categorized using apt quotes from some of the directors:

- "I am the dreamer and visionary." (8)
- "I am the broker of relationships to find the resources [we need]." (7)
- "I am the motivator; I keep people on course." (5)
- "I am the primary cheerleader for the organization." (4)

Other roles mentioned were:

- "I [put myself in] the places that I need to be to hear from the community." (1)
- "I have the capacity to understand what it takes on the operational side of it." (1)

In addition to naming the key roles listed above, four of the 15 directors (27%) mentioned tension they experience between leadership and management in their role.

Question 6. I am interested in understanding what functions or activities you consider most important in your role as executive director. Thinking about how you defined leadership, review these 26 cards and identify the top 5 to 7 leadership functions that you believe are most important for fulfilling your organization's mission.

When asked to identify the top five to seven leadership functions from the cards provided to them, participants selected several leadership functions considerably more frequently than others:

- Being visionary (11 directors; 73%)
- Being innovative and adaptable in finding ways to pursue my mission (11 directors; 73%)
- Self-knowledge of strengths and weaknesses (7 directors; 47%)
- Developing leadership throughout the organization (7 directors; 47%)
- Collaborating with other organizations (7 directors; 47%)

Table 2 shows the number of directors that identified each leadership function presented in the study.

Table 2. Leadership Functions Identified as the Top 5-7 Most Important

Leadership Function	Number of directors selecting this function as within 5-7 most important functions
Being visionary	11
Being innovative and adaptable in finding ways to pursue my organization's mission	11
Self Knowledge of Strengths/Weaknesses	7
Developing leadership throughout the organization	7
Collaborating with other organizations	7
Honesty & integrity	6
Customer Service	5
Inspirational	5
Strategic Thinker	5
Being a change agent	4
Crisp decision-making and articulating clear direction	4
Engaging in marketing and advocacy to grow support for my organization	4
Political & Organizational Awareness (Identifying emerging forces and trends in the organization's environment)	4
Positive Outlook	3
Evaluation of program outcomes	3
Empathy to others	2
Increasing the efficiency of my organization's operations and processes	2
Influence skills	2
Initiative & achievement orientation	2
Building strong accounting and finance skills in my organization	2
Emotional self-control	1
Conflict Management	1
Self-Confidence	0

Employee performance management	0
Stress Management	0
Time Management	0
OTHER (Write in)	

One respondent also indicated that had laughter, humor, or faith been cards to select, s/he would have identified those as priority leadership functions over others that s/he selected.

Question 7. From the five to seven leadership functions or activities you identified as most important in fulfilling your organization’s mission, please rank order the first, second, and third most important.

Table 3 shows the number of directors that ranked each leadership function as their first, second, and third most important leadership function; the far right hand column shows the total number of times each leadership function was selected by participants as being within the top three leadership functions. The table shows that when asked to identify their top three leadership functions from their selected cards, participants ranked the following functions more frequently than others:

- Being visionary (7 directors; 47%)
- Being innovative and adaptable in finding ways to pursue my organization’s mission (6 directors; 40%)
- Being inspirational (4 directors; 27%)

Fourteen out of 15 directors (93%) included at least one of these three leadership functions within their top three most important leadership functions. Also, ‘being visionary’ was the leadership function participants chose most frequently as their number one most important leadership function (4 directors; 27%).

Table 3. Leadership Functions Ranked Identified as the Top 1-3 Most Important

Leadership Function	Number of times ranked No. 1	Number of times ranked No. 2	Number of times ranked No. 3	Total number of times ranked in top 3
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Visionary	4	2	1	7
Being innovative and adaptable in finding ways to pursue my organization's mission	2	2	2	6
Inspirational	1	2	1	4
Self Knowledge of Strengths/Weaknesses	1	1	1	3
Collaborating with other organizations	-	2	1	3
Customer Service	2	-	1	3
Political & Organizational Awareness (Identifying emerging forces and trends in the organization's environment)	1	-	2	3
Honesty & integrity	-	2	-	2
Strategic Thinker	1	-	1	2
Crisp decision-making and articulating clear direction	-	2	-	2
Developing leadership throughout the organization	-	1	-	1
Being a change agent	-	-	1	1
Evaluation of program outcomes	-	-	1	1
Empathy to others	-	-	1	1
Influence skills	-	1	-	1
Building strong accounting and finance skills in my organization	1	-	-	1
Initiative & achievement orientation	-	-	-	0
Increasing the efficiency of my organization's operations and processes	-	-	-	0
Positive Outlook	-	-	-	0
Engaging in marketing and advocacy to grow support for my organization	-	-	-	0
Emotional self-control	-	-	-	0
Conflict Management	-	-	-	0
Self-Confidence	-	-	-	0
Employee performance management	-	-	-	0
Stress Management	-	-	-	0
Time Management	-	-	-	0
OTHER (Write in)	-	-	-	0

Question 8. Why did you pick those three leadership functions as your top three for your role in fulfilling your organization's mission?

Table 4 highlights representative responses from directors as to why they chose the three leadership functions they identified as most important for them their roles.

Table 4. Leadership Functions Identified Most Frequently by Directors as Most Important

Leadership Function	Total number of times ranked in	Why Directors Chose This Leadership Function
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	top 3	
Visionary	7	<ul style="list-style-type: none"> ▪ Because we are facing very challenging times and being able to continue to set the pace is very important ▪ It allows you to positively influence and guide your staff ▪ It keeps you moving forward and seeing the future
Being innovative and adaptable in finding ways to pursue my organization’s mission	6	<ul style="list-style-type: none"> ▪ Because it means being open to new ways of doing your work ▪ Because it involves being visionary and strategic and a change agent ▪ For competition’s sake – competing for dollars ▪ Clients’ needs are changing ▪ As a means of survival
Inspirational	4	<ul style="list-style-type: none"> ▪ It encourages donors to invest in your vision ▪ It involves communicating in a way that turns up the heat to be positioned to respond quickly to change ▪ It allows you to positively influence and guide your staff

Question 9. I am interested in understanding what those prioritized functions or activities look like in your everyday activities and how you carry out your role as executive director. How would you describe what your top three leadership functions look like in action or what behaviors do you associate with them?

Table 5 presents representative responses from the directors as to what their top three most frequently identified leadership functions look like in action.

Table 5. What Do Directors’ Most Frequently Identified Leadership Functions Look Like in EverydayAction?

Leadership Function	Total number of times ranked in top 3	Looks Like:
Visionary	7	<ul style="list-style-type: none"> ▪ It’s about the process, how we [execute our vision, asking ourselves], what is our role in [addressing this issue]? ▪ Visionary is seeing where the nose is pointed every day, [making decisions based on], does it fit our vision? ▪ Communicate the vision and get people to think about it every day ▪ Extensive exploration of the larger operating environment ▪ Exploring best practices and bringing along our Board with

		that
Being innovative and adaptable in finding ways to pursue my organization's mission	6	<ul style="list-style-type: none"> ▪ Asking ourselves, What else can we be doing to meet their needs? ▪ Focusing on collaborating with other organizations ▪ Looking for trends and learning from other's models
Inspirational	4	<ul style="list-style-type: none"> ▪ Story-telling ▪ Mentoring others ▪ Functioning at a high level but also being in the day-to-day

Questions 10 and 11. I am interested in whether or not your responsibilities as executive director allow you to prioritize those functions. Do you experience any disconnect between those priority functions or skills and how you end up spending your time? If yes, why do you think that such a disconnect exists?

Directors' responses about whether they experience a disconnect between their priority functions and their day-to-day responsibilities can be categorized as follows:

- Yes: 10 directors (67%)
- No: 3 directors (20%)
- No response: 2

Directors who said they do experience a disconnect gave the following reasons for why they believe it exists:

- A need for focus on the organization's internal dynamics, efficiencies, and administrative duties (6 directors)
- A primary responsibility is fundraising and it takes considerable time (3 directors)
- Difficulty with time management (1 director)

Directors who said they do not experience a disconnect said:

- "I think the bulk of my time is spent on those three things, and I would add in financial managing after that."

- “I do struggle with finding the time to spend the introspective time I need to think about the future... [but] I brought in another staff member [who took over]... operational stuff I’ve been doing.”
- “I tend to be able to get it all done.”

Question 12. Would you say that the way you think about leadership now is different than the way you thought about it before the 2007 economic recession hit?

Directors responses about whether or not they think about leadership differently now than they did before the economic downturn can be categorized as follows:

- Yes: 5 directors (33%)
- No: 10 directors (66%)

Directors who said they do think differently about leadership now explained why they feel that way:

- “[Financially] this is the new normal... because the competition for resources is even more fierce.” (3 directors)
- “In tough economic times there is a tendency to become more dictatorial and you have to fight that all the time because many of the solutions are with the people you work with.” (1 director)
- “You need to be innovative and flexible [although] you have to have some sense of staying the course.” (1 director)

Three out of 10 directors who said they do not think differently about leadership explained that they feel leadership stays consistent regardless of the challenge to be faced.

Question 13. Would you say that any of the 5 to 7 leadership functions or activities that you just identified became important for you in your role as executive director only after the recession? If yes, please explain.

Responses can be categorized as follows:

- Yes (6 directors; 33%)
- No (7 directors ; 47%)
- No response (2)

It is important to note that the directors responding 'yes' to this question did not agree that any leadership functions had become important for them *only after* the recession; rather they clarified that some leadership functions had become *more* important than they had been before the recession. They identified the following as having become more important for them after the recession, with several directors identifying multiple functions:

- Becoming more innovative and adaptable in finding ways to pursue my mission (2 responses)
- Engaging in marketing and advocacy (2 responses)
- Increasing the efficiency of my organization's operations and processes (2 responses)
- Building strong accounting and finance skills in my organization (1 response)
- Having a positive outlook (1 response)
- Political and organizational awareness: Identifying forces and trends (1 response)
- Strategic thinking (1 response)

Questions 14 and 15. Would you say that your organization is currently prioritizing further development of any of the five to seven leadership functions you identified as most important in fulfilling your organization's mission, and if so, which, and why?

All directors replied that their organizations are currently prioritizing further development of at least one of the leadership functions they identified. Table 6 outlines directors' responses about which leadership functions their organizations are developing and the reasons for why they are being made a priority.

Table 6. Leadership Functions Being Currently Developed and Why

Leadership Function	Why That Leadership Function is Being Developed
Being innovative and adaptable in finding ways to pursue our mission (5)	<ul style="list-style-type: none"> ▪ Because of money / economy (3) ▪ Because of an upcoming transition in leadership ▪ To evolve to meet the changing needs (2)
Developing leadership throughout the organization (5)	<ul style="list-style-type: none"> ▪ Because of an upcoming transition in leadership (2) ▪ So that everyone can see their strengths and weaknesses ▪ Because we often have very young employees and they need to know how their work fits into accomplishing the mission ▪ To grow the skills of our staff ▪ To inspire others for the future
Engaging in marketing and advocacy to grow support for my organization (3)	<ul style="list-style-type: none"> ▪ To raise the awareness of the community that we are here ▪ To let people know help is required ▪ Because of the economy ▪ To enhance the organization's reputation
Strategic thinker (2)	<ul style="list-style-type: none"> ▪ To evolve to meet the changing needs and to remain viable ▪ To [indicate] good action plans and lines of responsibility and authority and the budget [needed] to back up the ideas in order to achieve the [vision]
Being visionary (1)	<ul style="list-style-type: none"> ▪ [Because we are looking at] how we want to be seen in the future and what we want the pace to be for the future
Evaluation of program services and outcomes (1)	No response provided
Building strong accounting and finance skills in my organization (1)	<ul style="list-style-type: none"> ▪ Because of the economy ▪ To enhance the organization's reputation
Crisp decision-making and articulating clear direction (1)	<ul style="list-style-type: none"> ▪ To evolve to meet the changing needs and to remain viable
Increasing the efficiency of my organization's operations and processes (1)	<ul style="list-style-type: none"> ▪ Because of the economy ▪ To enhance the organization's reputation
Influencing the skills of my staff (1)	No response provided

Question 16. When your organization is seeking to hire new staff people, what leadership skills does the organization look for in applicants?

Responses to this question varied considerably. Directors cited the following as leadership skills they seek in applicants:

- Fit in the culture of the organization (6)
- Innovation, adaptability, flexibility (4)
- Have passion (3)
- Self-motivated (3)

- Self-insight and knowledge of own strengths and weaknesses (3)
- Other leadership skills mentioned were: the need for a core values system (2); a willingness to take risks (2); being a team player (2); being visionary (1); ability to inspire others (1); and ability to represent the organization in the community (1)

Question 17. Is there anything else you would like to add about leadership in general before we finish?

Of the 15 directors, 12 chose to contribute additional thoughts on leadership. While responses ranged widely, directors referenced two concepts most frequently:

- The importance of growing their personal leadership skills or their self-awareness in order to grow in their leadership abilities (4 directors)
- Leadership can be lonely in that “there aren’t too many people you can turn to... because [your staff and Board are] counting on you” (3 directors)

As mentioned in the Methods section, I sought additional information from the directors about their role and perspectives, requesting their feedback on three additional questions through a Survey Monkey survey instrument. Twelve of the 15 directors provided responses. As with the above responses to the interview questions, here, I present each question on the survey instrument and cluster responses.

Survey Question 1. How do you know when an organization other than your own is high-performing?

Directors responded by selecting from a list of provided options and chose all options that applied. Table 7 outlines their responses.

Table 7. Directors’ Responses about How They Know When an Organization Is High-Performing

Source for Knowing	Number of Directors that Selected This Source
Local donors fund them	10 (83%)
They have grown in size	6 (50%)
Friends' or colleagues' opinions	6 (50%)
Awards	4 (33%)
Publicity	4 (33%)
Our clients tell us	4 (33%)
Other	2 (17%)

One director responding “other” gave a response that speaks to high performance as related to other organizations receiving grants, funding, and increasing clients utilizing their services. The second director responding “other” said that s/he judges another organization’s performance on professional accreditation.

Survey Questions 2 and 3. How do you know/stay informed about your role as executive director?

Please give more information here to be as specific as you can about the learning source.

Directors responded by selecting from a list of provided options and chose all options that applied. Table 8 outlines their responses.

Table 8. Directors’ Responses about How They Stay Informed about Their Role

Avenue for Staying Informed	Number of Directors Selecting This Avenue	Specifications:
Formal or informal networks	10 (83%)	<ul style="list-style-type: none"> ▪ Captains Roundtable ▪ Discussion with peers ▪ Community feedback
Nonprofit journals/literature	9 (75%)	<ul style="list-style-type: none"> ▪ Stanford Social Innovation Review ▪ Chronicle of Philanthropy ▪ Blue Avocado
Professional association/society	8 (67%)	<ul style="list-style-type: none"> ▪ Chamber, local, and national trade associations
Local training opportunities	6 (50%)	<ul style="list-style-type: none"> ▪ The Community Foundation ▪ The Learning Point ▪ University of Richmond nonprofit classes ▪ Bank of America classes and webinars ▪ Civic Ventures classes and webinars ▪ AmeriCorps training
Coaching/mentor	5 (42%)	<ul style="list-style-type: none"> ▪ Monthly contact with mentor
On-the-job training	3 (25%)	<ul style="list-style-type: none"> ▪ Problem-solving as needs arise (2)
Formal education, certificate, or degree program	3 (25%)	<ul style="list-style-type: none"> ▪ Teaching at university level

Other	3 (25%)	
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Directors responding “other” said that they also stay informed about their role through:

- Experience (1)
- Membership with national association (1)
- Assessment of what is needed at the lifecycle stage where the organization finds itself (1)

Discussion

This study considers how Richmond nonprofit executives perceive and experience leadership, in order to understand whether their approaches guide their organizations’ work towards organizational viability and survival or community impact and foundational change. It considers executives’ perspectives in light of the economic downturn that began in late 2007 to evaluate how executives are encouraging their organizations to respond in an uncertain operating environment. The results can be considered generally as speaking to three primary questions:

- How are Richmond, VA nonprofit executive directors perceiving and experiencing leadership?
- How are Richmond, VA nonprofit executive directors perceiving organizational performance?
- Has the economy affected the way Richmond nonprofit executive directors approach their work?

How are Richmond, VA nonprofit executive directors perceiving and experiencing leadership?

The results suggest that most executive directors perceive leadership as the behavior or abilities of individuals, defining leadership as involving an individual’s having vision for his or her organization and motivating others to pursue the organization’s mission. Directors refer to organizational vision as central to their concepts of leadership and they see their primary contribution to their organizations’ work as serving as the dreamer and visionary. This finding closely mirrors Driscoll et al.’s 2009 study that considered Richmond nonprofit executives’ perceptions of leadership for community strengthening,

in that directors in both studies viewed leadership in terms of individual characteristics. 'Being visionary' is strongly reflected as the leadership function the majority of directors identify as the most important function for them in their roles. When asked to identify their top five to seven leadership functions of the 26 presented, 11 of the 15 directors identified 'being visionary' and 'being innovative and adaptable in finding ways to pursue my mission'. However, 'being visionary' emerged as the most important function, as evidenced by seven directors' selecting it as among their top three leadership functions. There was not consensus around any other leadership function like there was around 'being visionary', as four directors identified it as their top most important function.

Directors also prioritized having 'self-knowledge of strengths and weaknesses', 'developing leadership throughout the organization', and 'collaborating with other organizations' as within the top most important functions, and these approaches to leadership exhibit a tendency toward big-picture thinking aimed at social impact that moves beyond organizational achievements. With the exception of one director who prioritized 'developing leadership throughout the organization', none of the directors, selected these three functions as one of the three leading functions central to their role. Instead, 'being inspirational' rose to the surface as a top key element in directors' leadership functions.

Directors' definitions of leadership speak to leadership directed at performance, at aligning an organization's internal processes with its external environment for improved responsiveness to client needs (Phipps & Burbach, 2010; Renz, 2010). For example, respondents' explanations for why they identified the leadership functions they did, as well as their descriptions of how those functions unfold in everyday action, echo perceptions of leadership as advancing organizational efficiency and survival: directors explained that 'being visionary', 'being innovative and adaptable...', and 'being inspirational' give them the capacity to get ahead and compete for dollars, to move forward in setting the pace for meeting clients' needs, to anticipate environmental change, and to survive.

This study's findings also mirror Driscoll et al.'s (2009) findings that directors prioritize innovation as central to organizational success in the context of a changing operating environment. However, while the former study identified the need for collaboration outside one's own organization as being as important as increasing efficiency and taking risks in ensuring survival, directors in this study seem to acknowledge the centrality of collaboration while still prioritizing other leadership functions over it. In comparison, in a 2007 evaluation of leadership style differences in public and private sector executives, executives in both sectors identified 'honesty and integrity', 'collaboration with other organizations', and 'developing others' as the top leadership functions most important for them in their role (Thach & Thompson, 2007).

Shifting from perspective to experience, most (67%) respondents acknowledged a disconnect between their articulated leadership functions and their experience of their day-to-day responsibilities. While nonprofit executives see their primary role as being the visionary for their organizations, their everyday experience involves a considerable amount of overseeing daily operations. In explaining the reason for this disconnect, 40% of respondents referred to "get[ting] stuck in the day-to-day mire requiring focus on the organization's internal dynamics, efficiencies, and administrative duties. The second most frequent explanation that respondents cited (20%) for the disconnect is the time-consuming responsibility of contributing significantly to their organizations' fundraising.

How are Richmond, VA nonprofit executive directors defining organizational performance?

When asked to answer in general terms how they would define organizational performance, results show that Richmond nonprofit directors see performance above all in terms of internal organizational concerns (40%), including financial sustainability and achievement of mission goals; others (33%) define organizational performance in terms of community impact; still others (27%) define organizational performance in both operational and community impact terms. When asked what kind of information they need to know to speak to whether an organization is high-performing, 40% of

respondents included knowledge of the organization's financial stability as important, 27% included community impact as important, 20% mentioned clarity of mission or ability to avoid mission drift as important, and 20% said they would need to know about the organization's leadership.

When asked to name and describe a specific high-performing organization, results shift slightly, and more directors look to both internal and community impact factors to evaluate an organization's performance. When asked to describe why they consider certain organizations high-performing, directors' explanations range widely, adding to the dimensions by which the directors evaluate other organizations' performance: internal concerns indicating performance include the organization's effective use of its volunteers, low administrative costs, and employees' high estimation of the organization as a place of work; community impact factors indicating performance include an organization's increased client participation in and satisfaction with programs, its risk-taking and innovation to serve clients, and its service as a resource to other organizations working on the same cause.

When asked about the source of how they know whether an organization is high-performing, the most often cited reason (83% of respondents) was whether local donors fund the organization. Additional important sources of information about other organizations' performance include how those organizations have grown in size (50% of respondents) and what colleagues say about those organizations (50% of respondents).

Has the economy affected the way Richmond nonprofit executive directors approach their work?

Results show that directors' methods of coping with the economic downturn that began in late 2007 vary considerably. Two-thirds of directors said they do not think differently about leadership now than they did before that time, while one-third says their perceptions of leadership have changed as a result of the recession. Of those who said they do think differently about leadership since the economic downturn, more directors (20%) cited the need to compete even more aggressively for resources than

they had to in the past as the top reason for why they do. These results suggest an increase in leadership's orientation towards competition for limited resources and a greater perceived need for general realignment of organizational strategies during uncertain times. When asked how they define leadership, two directors indicated that their experience of a need to strike a balance between leadership and management results directly from the current state of the economy, saying that "we are navigating ourselves through a very difficult economy right now that pretty much doesn't care whether your organization is around or not and we have to... do [our work] with less staff support and less dollars and [so we are] trying to find that balance". Another echoed the influence of the economy on her perception of leadership, explaining that "it's so easy to be in the now, especially with the economy the way that it is". This finding echoes Driscoll et al.'s (2009) finding that nonprofit directors experience the pressing need to attend to organizational efficiencies in their day-to-day work as a result of the economy.

When asked about whether any of their selected leadership functions have become more important for them in their roles following the recession, 33% of directors replied in the affirmative while 47% replied in the negative. Those responding in the affirmative referred most frequently to 'becoming more innovative and adaptable in finding ways to pursue my mission' (13%), 'engaging in marketing and advocacy' (13%), and 'increasing the efficiency of my organization's operations and processes' (13%) as the leadership functions that have become more important for them; directors also identified four other leadership functions in addition to these.

Results also indicate that directors currently prioritize a very wide range of leadership functions within their organizations at large, as evidenced by their selecting 10 of the 26 leadership functions presented as functions their organizations are developing more. Directors' explanations for why organizations are prioritizing those leadership functions universally spoke to internal organizational concerns: they said they are prioritizing these functions "because of money", "because of an upcoming

transition in leadership”, “to remain viable”, “to grow the skills of our staff”, and “to enhance the organization’s reputation”, among other explanations. These results indicate that organizations are investing in order to ensure organizational survival. While responses like “to evolve to meet the changing needs” undoubtedly reflect work oriented toward real community impact, consideration of prioritized leadership functions for the future generally leave investment in “eliminat[ing] the root causes of social ills” to be desired (McLeod Grant & Crutchfield, 2007). Similarly, directors’ preferred skills for future staff hires center on staff’s fitting into the organizational culture as opposed to factors like proven ability to creatively seek fundamental social change.

Conclusion

Analysis of the results of this study alongside those of a 2009 study (Driscoll et al.) and a 2006 study (Thach & Thompson) reveal nuanced differences in executives’ primary leadership functions. Slight discrepancies between their findings raise the question of whether organizations’ continued experience of a down economy two years later has resulted in their becoming slightly more internally-focused than they were two to five years ago. In particular, the salience of collaboration and developing others across studies’ results encourages future research into factors influencing executives’ prioritization of these leadership functions.

Consideration of the results of this study reveals several primary trends. First, results indicate that the directors’ perceptions of leadership center on an individual, suggesting the predominance of a hierarchical, authority-based approach to organizational decision-making and leadership, as opposed to a shared leadership approach reflecting distributed decision-making and work shared between groups and sectors where collective learning brings meaningful change (Fletcher & Kaufer, 2003; Gowdy et al., 2009; McLeod Grant & Crutchfield, 2008a). Also, the results indicate that directors consider much of their leadership contribution to their organizations’ work as:

- Envisioning the future
- Encouraging their colleagues in pursuing that future
- Communicating their organizations' vision to others within and outside the organization to promote the pursuit of that vision

Taken together, these findings may reflect the literature that suggests leadership focused on envisioning organizational direction and pursuing its mission may indicate an orientation toward advancing organizational efficiencies and survival (Van Brackle, 2011).

Secondly, the wide variability in directors' responses about internal and community impact factors important for evaluating organizational performance shows that directors do not share a common set of indicators for evaluating peers' organizations. Nevertheless, there is some consistency in their judging organizational performance by the funding organizations receive and by peers' opinions about those organizations. The literature on leadership for organizational viability encourages perceptions of performance based on finances and organizational growth, asserting that an organization's growth speaks for its programs' effectiveness (Kania & Kramer, 2011) and that securing "the needed sources of financing and support" are central to leadership's purposes (Van Brackle, 2011, p. 305). Within perceptions of leadership as advancing organizational efficiency, similarly, "effectiveness [is seen as] an organization's ability to exploit its environment to acquire scarce and valued resources" (Herman & Renz, 2004). Collectively redefining our 'language of competence' as a region of nonprofit executives may strengthen the consistency with which we evaluate organizational performance (Fletcher & Kaufer, 2003).

Lastly, as directors look to how the economy is influencing their approach to their work, the results suggest that the economy may be exacerbating the tension nonprofits already experience between executives' roles in leadership and management and the roles they play in organizational performance for social change. For example, two of the three leadership functions most frequently

identified as more important after the recession did not rank as top functions essential to organizational work, but, results indicate that this is where directors are newly investing greater energy and efforts than they did before the recession.

Considering the Pressures of an Uncertain Operating Environment

Beyond the financial constraints nonprofits are experiencing, other notable trends are reshaping the landscape of the nonprofit sector and, taken together, beg the question, How effective can we be in creating fundamental social change when envisioning the future independently? While focusing on organizational survival, can we expect to be able to get out in front of the fast-paced change we face to allow for real change? Scholars suggest that the answer may be, 'maybe not' (McLeod Grant & Crutchfield, 2007; Stutts & Allison, 2011).

Rapid advances in technology, for one, are producing increasingly more ways for organizations and individuals to connect with one another, and this brings new expectations for organizations to share their work with greater transparency than in the past (Gowdy et al., 2009). Organizations' access to networks of other organizations has begun, in turn, to allow their work to be organized in new ways, focusing efforts and resources on outcomes over organizational contributions and jeopardizing the relevance of organizational permanence (Gowdy et al., 2009). Nonprofits are also experiencing increasing competition with for-profit firms for service delivery and accordingly must produce results that deliver (Salamon, 2010). The trends the nonprofit sector faces today represent a new operating environment that demands considerable changes in the leadership that will be needed for nonprofits to effect change, urging executives to confront the importance of evaluating the relevance of organizationally-oriented leadership for the future (Gowdy et al., 2009; Heifetz et al., 2009; Salamon, 2010). These trends point to an increasing importance of organizations' delivery of social value and community impact over the significance of the organizations themselves (Renz, 2010).

In particular, these trends may call into question the relevance of isolated organizational visions and the need for executives to pursue them as opposed to a collaborative plan for effecting social change. While current perspectives of leadership in the Richmond, VA region hinge on organizational vision described as ensuring alignment of daily operations with mission, communicating about the mission with stakeholders, exploring the larger environment, and implementing best practices, the power of these functions may be more fully invested in inter-organizational approaches to bringing about social change.

Community Impact

The evolving and uncertain operating environment puts nonprofit executives in the position of needing to cope with financial and social changes in order to be able to pursue their missions and, at the same time, innovate to produce meaningful work with true impact (Gowdy et al., 2009). I propose that smart management of an organization's resources and commitment from supporters, alongside innovation in pursuing its mission, still have a very important place in the nonprofit sector's capacity for effecting real change in clients' lives. The challenge, however, lies in refraining from solving what Heifetz calls adaptive problems with technical and short-term solutions (Heifetz et al., 2009; Denhardt, et al., 2009). This fundamental problem requires nonprofit executives to meet clients' needs today while investing creative energy in exploratory work to identify and attend to the root causes of clients' needs and enduring problems. More importantly, it requires donors, the public, and elected officials to recognize the need and accept the challenge of investing in coordinated efforts at effecting social change. Whereas social change cannot take place without organizational efficiency, organizational efficiency, on the other hand, can improve, and survival be maintained, without effecting fundamental change. The question is not, therefore, whether organizational efficiency or social change is preferable. Rather, leadership as advancing social change represents an opportunity for nonprofits that address problems that can conceivably be mitigated to utilize their efficiency to deepen their contributions to

society. I acknowledge that changing the root issues leading to social problems does not apply for all agencies, as people will continue to age, for example, and children with special needs will continue to require alternative education opportunities. Many of the issues that organizations address today, however, need not persist.

Research on impacting the prevalence of social problems by targeting root issues encourages a shift in nonprofit organizational thinking, such that “we extend [clients’] environments beyond the immediate to develop a more comprehensive understanding of the social and economic circumstances that influence [the issue we address]” (Soobader & LeClere, 2000, p. 218). While outcomes become more long-term, performance becomes oriented toward advancing social change as much as, or more so, than meeting today’s needs. Thinking beyond independent organizational contributions to societal problems, scholars like Kania & Kramer (2011) challenge nonprofit executives to consider the systemic social change that can result from “collective impact, the commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem” (p. 36). Nonprofits employing this approach to leadership stray from isolated intervention and consider how the impact of their existing resources might be multiplied through transformative coordination with other agencies (Kania & Kramer, 2011; Stutts & Allison, 2011). This kind of multi-agency, coordinated approach to trying to solve complex social problems requires shared leadership, whereby “giving power away and empowering others... develop[s] networks and movements large enough to catalyze widespread social change” (McLeod Grant & Crutchfield, 2008b, p. 158).

An important implication of this perspective of leadership lies in the reality that it will not simply require more or better management but rather the expectation that well-developed leadership and management pursue immediate results as well as fundamental change. While this admittedly will involve a culture change in order to grapple with a new approach to effecting social change, as nonprofit expert Lester Salamon has advised, “given the seriousness of existing pressures, it seems only prudent

for state leaders to get busy now to make sure that Virginia's nonprofit sector is up the challenge" (2008, p. 21).

Future Considerations

I hope that the study may promote Richmond nonprofit executives' thoughtful reflection on how to best guide their organizations in making significant and lasting contributions to society. Undoubtedly, such reflection will need to be coupled with change in how we interpret organizational activities and attribute successes; research suggests that our tendency is to perceive circumstances as the result of one individual's intentional behavior while minimizing the role that relational work has played in creating those circumstances (Fletcher & Kaufer, 2003). A new orientation towards considering organizational successes as the product of collective work will require a fresh look at local executive training opportunities with a critical eye toward content that focuses on executives' roles in effecting social change while maintaining organizational viability and avoiding competition. A perspective of leadership as advancing social change may also require a new look at how executives are rewarded "for providing the leadership required to do adaptive work" (Fletcher & Kaufer, 2003, p. 25) and how teams can be rewarded for collaborative and cross-sector decision-making over individual contributions to social change (McLeod & Crutchfield, 2008b).

One participant executive director's feedback on the study underscores the need to reevaluate current influences on nonprofit executives' perspectives on leadership (Anonymous, personal communication, June 1, 2011). Reacting to the results of the study, one executive director expressed interest in understanding how participants' educational backgrounds may affect their perspectives on leadership; formal training in business would feasibly orient executives toward leadership in a distinctly different way than would formal training in social justice, for instance. She also wondered whether exposure to certain perspectives on leadership, through professional peer circles, might explain

commonalities in thought across individuals. She also questioned whether executives' nonprofit coaches, mentors, and continuing education classes are shaping the organizationally-focused orientation toward leadership that dominated executives' responses in the study. This feedback raises questions about the training and guidance nonprofit organizations and executives may require to produce meaningful and lasting community impact in the current environment.

Additionally, the results of the study suggest the need for future research on the influence of the size of top managerial teams within organizations on the roles that executives play. As the literature suggests, how an organization employs its leadership may be influenced by the presence of managerial staff and processes that align management with organizational vision (Stid & Bradach, 2009). Several directors in this study referred to their organizations' lack of "a very deep organizational chart" when speaking about their role as executive director and the balance they try to strike between leadership and management. The absence of well-developed, operational management capacity may be one factor that can preclude an executive from delegating essential tasks in order to innovatively lead her organization beyond organizational viability and toward more fully confronting the root issues that perpetuate the social problems her organization addresses.

Finally, deeper understanding of executives' perceptions and experiences of leadership will benefit from future research on the influence of where an organization is in its lifecycle on the role those in positions of authority play in leadership- and management- responsibilities and in seeking financial sustainability and enduring change and legacy. Several directors, when speaking about their role and the development of leadership functions in their organizations, pointed to upcoming transitions in leadership as influencing factors. While Paul Light's nonprofit lifecycle concept hinges on organizational impact garnered through survival, his contention that "successful capacity-building depends in large part on picking the right improvement effort at the right time" (2004, p. 58) may shed

new light on the appropriateness of certain leadership functions at different stages of an organization's natural lifecycle.

Limitations

I recognize the necessity for caution in generalizing the results of this research beyond the place and types of nonprofits that comprised the sample and the importance of replication for further examination of the research questions. In presenting the purpose of the study to directors selected for participation, I expressed to a few that the study considered leadership in light of the economy; should the study be replicated, the purpose of the study should be consistently explained to directors so as to avoid potentially biased results.

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Appendix A.

**Interview Questions
for Perceptions and Experiences of Leadership Study
Developed by Lauren Davis, Virginia Commonwealth University (davislc2@vcu.edu)**

1. Generally speaking, how would you define leadership?
2. Generally speaking, how would you define organizational performance?
3. Can you give me an example of a high-performing organization? What suggests the organization is high-performing?
4. In general, what information do you need to know about an organization to speak to whether it is high-performing?
5. Big picture, how would you describe what your primary role is personally in the work that your organization does?
6. I am interested in understanding what functions or activities you consider most important in your role as executive director. I'm going to hand you a stack of 26 cards, each with one leadership function or activity listed on it. Thinking about how you defined leadership, please review the cards and then identify the top 5 to 7 leadership functions or activities that you believe are most important for fulfilling your organization's mission.

Leadership Function or Skill	✓	Rank 1, 2, and 3
Building strong accounting and finance skills in my organization		
Being innovative and adaptable in finding ways to pursue my organization's mission		
Being a change agent		
Collaborating with other organizations		
Conflict Management		
*Crisp decision-making and articulating clear direction		
Customer Service		
Developing leadership throughout the organization		
Emotional self-control		
Empathy to others		
Employee performance management		
Honesty & integrity		
*Increasing the efficiency of my organization's operations and processes		
Influence skills		
Initiative & achievement orientation		
Inspirational		
Engaging in marketing and advocacy to grow support for my organization		

Political & Organizational Awareness (Identifying emerging forces and trends in the organization's environment)		
Positive Outlook		
Self Knowledge of Strengths/Weaknesses		
Self-Confidence		
Strategic Thinker		
Stress Management		
Time Management		
Visionary		
OTHER (Write in)		

7. (Read aloud for tape recording the 5 to 7 the interviewee selects.) From the five to seven leadership functions or activities you identified as most important in fulfilling your organization's mission, please rank order the first, second, and third most important.
8. Why did you pick _____, _____, and _____ as numbers 1, 2, and 3?
9. I am interested in understanding what those prioritized functions or activities look like in your everyday activities and how you carry out your role as executive director. How would you describe what _____, _____, and _____ (numbers 1, 2, and 3) look like in action, or, what activities or behaviors do you associate with _____, _____, and _____ (numbers 1, 2, and 3)?
10. I am interested in whether or not your responsibilities as executive director allow you to prioritize those functions. Do you experience any disconnect between those priority functions and how you end up spending your time? Please explain.
11. [If interviewee responds in the affirmative to Question #13]: Why do you think that such a disconnect exists?
12. Would you say that the way you think about leadership now is different than the way you thought about it before the 2007 economic recession hit?
13. Would you say that any of the 5 to 7 leadership functions or activities that you just identified became important for you in your role as executive director only after the recession? If yes, please explain.
14. Would you say that your organization is currently prioritizing further development of any of the five to seven leadership functions you identified as most important in fulfilling your organization's mission (_____, _____, _____, _____, _____, _____, and _____)? If so, which function or activity is that?
15. Why is the organization prioritizing the development of _____ (answer to Question #15)?

16. When your organization is seeking to hire new staff people, what leadership skills does the organization look for in applicants?

17. Is there anything else you would like to add about leadership in general before we finish?

Closing: Thank you very much for sharing your time with me today. I would be happy to share my report and findings with you when the study is complete, if you would be interested.